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# **Investigating the Role of Online Community Engagement and Consumer Online Collective Empowerment for Consumer Price Fairness Perception**

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A thesis submitted for the degree of Doctor of Philosophy of The  
University of Adelaide

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## **Partial fulfilment statement**

This thesis submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, the University of Adelaide, South Australia, Australia



## **Declaration of Plagiarism**

I declare that this submission is my own work and does not involve plagiarism or collusion. I give permission for my assignment to be scanned for electronic checking of plagiarism.



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My 5 years journey (2010 to 2015) to the PhD degree are full with tear, hard work, stressful, but joyful, and happiness. Now I can said that 'nothing is impossible'. But without people who support me, my PhD journey would not have been possible.

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## **Abstract**

Never before have customers been more powerful in providing, acquiring, and discussing the offered price of service providers in online context. In particular, the emergence of online communities increases consumer exposure to various information about the targeted services including their pricing practices shared by like-minded consumers. While price is an important indicator for customers to make a purchase decision, there have been very few scholarly attempts to identify online community factors may influence consumers' price fairness perceptions. To address these gaps, the principal focus of this dissertation is to examine the extent to which online community factors namely community engagement and customer online collective empowerment shape consumer price fairness perception. Drawing on social identity, resource dependence theory and social capital theory, three studies are conducted and reported in this dissertation which examine the central role of community engagement, consumer online collective empowerment, and community norms in driving consumer price fairness perception. Further, the research tests the moderating effect of online savviness and customer price sensitivity.

Drawing from social information processing and social identity theories, the first study examined the effect of community engagement on customer price fairness perception indirectly via community norms and rule familiarity. It is found that online community engagement impacts customer price fairness perception. Moreover, we found the mediating effects of community norms and rule familiarity on that relationship. Engaged member interactions with like-minded customers in an online context strengthen the rule familiarity with regards to dynamic pricing policies that, in turn, shape their price fairness perception. Further, as online community citizens, engaged members are willing to adopt the community



norms concerning the pricing practice in the market place that lead to a positive fairness perception toward dynamic pricing. The findings also confirm the moderating effect of online savviness for the impact of community norms on customer price fairness perception.

The importance of the collective activities empowering customers capabilities and knowledge to deal with the targeted service providers emerged from the first study. Accordingly, the second study conceptualised and developed a measure of customer online community empowerment. Using samples from Australian frequent flyer community, we undertook a qualitative netnographic study, to explore the nature of customer online collective empowerment. The netnographic findings confirm that customer online collective empowerment consists of four dimensions namely: behaviour empowerment, cognitive empowerment, emotional empowerment, and relational empowerment. Subsequently, a four-dimensional customer online collective empowerment measure is developed and empirically validated through two quantitative surveys. The examinations of construct reliability, construct validity, and discriminant validity evaluated through AMOS 22 confirm that the measure is reliable, valid, and distinct from other relevant measures.

The final study empirically examines a novel model of key drivers of customer online collective empowerment namely community engagement, community norms, and community collective knowledge which, in turn, shape consumer fairness perception toward the dynamic price tactics from service providers. Drawing on resource dependence theory and social capital theory, the findings confirm that community engagement is significantly related to perceived customer collective empowerment. The relationship is also partially mediated by two key community factors, namely community collective knowledge and community norms. As a result, empowered members indicated a positive fairness perception toward the dynamic

pricing policy of service organisations. This study builds on the first study by introducing the role of customer online collective empowerment to fully explain the role of engaged online community member in influencing the price fairness perception of customer. This has managerial implications for brand and social media usage which are discussed in the conclusion chapter.

Overall, the thesis examines the interplay among several community constructs, which together provide greater insight into the mechanisms by which these community factors affect customer fairness perception toward the dynamic pricing.



## Statement of Publication

Works from this thesis have been published in the following articles and conference papers:

### Refereed Journal Publication:

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# CHAPTER 1 : INTRODUCTION

## 1.1. Research Background

*“This is not an informative age, it’s an age of networked intelligence”*

Don Tapscott – Author of Wikenomics

The exponential growth of the Internet has had a profound influence on the way in which consumers utilise shared personal experiences and knowledge to evaluate products and services (Pires, Stanton, & Rita, 2006). Indeed, online communities have become an important communication platform for like-minded consumers holding similar interests to freely engage in various collective activities to help each other, contribute their knowledge to the collective, gather information about others’ usage experiences, and seek support from like-minded consumers for their personal service/product usage (Zhou, 2011; Seraj, 2012; Casalo, Flavián, & Guinaliú, 2013). Online communities are defined as *‘social aggregations that emerge from the Net when enough people carry on those public discussions long enough, with sufficient human feeling, to form webs of personal relationships in cyberspace’* (Rheingold, 1993, p.7). It includes social networking sites, blog sites, gaming communities, and other online forums (Miller, Fabian, & Lin, 2009). Over the last few years, consumers have increased their activities in online communities. In 2013, more than 191 million U.S online users used online platforms to browse products and compare prices (Statista, 2015). 72% of them were members of at least one online community (O'Malley, 2013), and 46% of them relied on these online consumer-to-consumer platforms when making a purchase decision (Nielsen, 2012). These online consumer communities are considered an irreplaceable platform for collective knowledge creation and consumption (Seraj, 2012). Further, they reduce consumer dependences on one-way advertising from organisations.

Recognising the importance of online communities, scholars have conducted a number of studies to examine the antecedents through which consumers engage voluntarily in community activities such as seeking problem solving in daily life, generating new ideas and widening the knowledge about interesting topics, or validating a purchase decision (Dholakia, Bagozzi, & Pearo, 2004). Some found that consumers participate in online community activities because they want to establish and maintain social interactions with like-minded customers to dispel their loneliness, to seek social support, friendship, and intimacy (Dholakia et al., 2004; Cheung, Chiu, & Lee, 2011). Further, some customers are pro-active in community activities in order to strengthen their identity with the community (Dholakia et al., 2004) and achieve social enhancement when they receive recognitions from others regarding their contributions to community developments (Bagozzi & Dholakia, 2006; Füller, Matzler, & Hoppe, 2008).

Moreover, several studies explore different aspects of the community that influence member activities in an online community including typologies of online communities such as ownership (customer-created vs. marketer-created community) (Almeida, Mazzon, Dholakia, & Müller Neto, 2013), community size (small, large) (Butler, 2001; Koh, Kim, Butler, & Bock, 2007), and credibility (Choi & Rifon, 2002). Customers prefer joining discussions on customer-managed communities rather than the activities offered by the firm-managed communities (Almeida et al., 2013). Additionally, Koh et al. (2007) found that community size impacts its members to post, view topics as well as influence the ongoing survival of the community itself. Furthermore, customers tend to judge the credibility of the community before joining the collective activities (Choi & Rifon, 2002). Some studies look at cultural aspects of online communities such the myths, values, rituals of shared passion about the

brands, products/services (Seraj, 2012), community interaction types such as transactional members, socializers, lurkers, and personal connectors (Mathwick, 2002; Liao & Chou, 2012), and the socialisation process in online communities (Bagozzi & Dholakia, 2002; Ballantine & Martin, 2005; Wang & Chen, 2012).

In particular, some scholars have suggested a link between online community activities and consumer perceptions and behaviours toward the brand and its services (Kim, Choi, Qualls, & Han, 2008; Zhou, Zhang, Su, & Zhou, 2012). Through the activities undertaken in an online community, customers are exposed to information related to the brand and its services. Online community discussions increase customer direct and indirect interactions with the brands that improve their understanding about the brands and influence their engagement with the brand (Brodie, Ilic, Juric, & Hollebeek, 2013; Wirtz, Ambtman, Bloemer, Horvath, Ramaseshan, Klundert, Canli, & Kandampully, 2013), which eventually increases brand loyalty (Habibi, Laroche, & Richard, 2014; Park & Kim, 2014). A notable marketing mix element that generates a significant amount of consumer interest in online communities is the pricing strategy and tactics of service providers (Maxwell & Garbarino, 2010), for price is a significant factor influencing consumers' consumption decisions (Hana, Gupta, & Lehmann, 2001). However, the complexity of the nature of services price setting creates a challenge for consumers to understand and encode service providers' price strategy in ways that are meaningful to their consumption (Han & Ryu, 2009). Therefore, it is not surprising that more and more consumers seek information about pricing of the targeted services through online communities to inform their expectation, evaluation, and decision making with respect to service consumptions. For example, among 20 million discussions per month about flyer-related issues in FlyerTalk.com (Grossman, 2015), many members exchange information regarding different hotel/airline prices, share airline deals, and analyse price setting policies

of airlines/hotels. These activities potentially influence consumers' price fairness perceptions towards the service providers' offers since consumers are able to compare the equity of how much they spend, and how much that offer should be charged (Bolton, Warlop, & Alba, 2003), or the price paid by comparative like-minded consumers (Taylor & Kimes, 2010). Following is an example of a pricing discussion in a frequent flyer community.

**saligari** : *Hi, can anyone tell me if there is a such a thing as a price cycle with airfares.*

*Do airfares /airlines work like the petrol companies (I know there is no such thing as a cartel) where Thurs are better than Fri or Sat to purchase, as an example do they normally list the next specials with agents on a Monday ?*

**QF WP**: *No, there isn't any particular day that's best to purchase tickets. It's my understanding Airlines sell seats at different prices (each with their own restrictions or conditions attached). They are known in the industry as "fare buckets". You will notice the different fare classes and fare type conditions.*

*There are a certain number of seats assigned to each fare bucket. As seats are sold (generally the cheapest ones go first), the number of seats in each bucket reduce. Therefore, closer to the date of departure, generally all the cheaper restrictive seats have been sold and the more expensive flexible classes are the only ones still available for purchase.*

**dajop**: *As QF WP points out, there is no price cycling like with Petrol. However, what you do tend to find is that regardless of when you book. Certain days of the week (Tue/Wed) are more likely to have lower fares, particularly on domestic routes. Sometimes you also find the same tendency on international routes (eg Aus-USA) where departures from Australia on Fri, Sat and Sun are more desirable (and therefore more expensive) than mid week departures. The other thing to watch for is*

*certain times of the year when sales tend to occur (not necessarily for travel at the same time). A classic case is immediately following Christmas where there is relatively lower amounts of cash flowing into airlines (not too much last minute business travel and lots of advance bookings) so they have sales for the first half of the new year to keep the cash flowing in.*

*saligari: WOW, I am a Frequent Flyer with Qantas, United, Singapore & Emirates and I am so WET BEHIND the EAR's! if I was 30 years younger I would have a ball with all that info, thank you so much for your knowledge.*

Although the emergence of online communities increases consumer exposure to pricing practices, there have been very few scholarly attempts to identify which community factors may influence consumers' price fairness perceptions in an online context. It has driven academic scholars and marketers to search for answers to the question: which and how community factors influence consumer fairness perceptions of pricing strategies of service providers.

Recent research on online communities highlights the important role of engaged members who proactively contribute their resources (time, efforts, and knowledge) to enhancing community values for themselves and others (Brodie et al., 2013; Wirtz et al., 2013). Engaged members play multiple roles within a community ranging from learner, experience and knowledge sharer, to brand advocate and community co-developer (Brodie et al., 2013). As brand advocates, engaged members express their emotional attachments to a brand by word-of-mouth activities, online reviews and product referrals (Van Doorn, Lemon, Mittal, Nass, Pick, Pirner, & Verhoef, 2010). As community citizens, engaged members feel a strong relational bond with the community which, in turn, encourages them to help their fellow



members through frequent provisions of useful knowledge (Wiertz & de Ruyter, 2007) and provide valuable feedback to improve the overall quality of community discussions (Wirtz et al., 2013). As community co-developers, engaged members tend to foster the adoption of community norms such as reciprocity, and social trust (Mathwick, Wiertz, & De Ruyter, 2008) in order to enhance the productivity of community activities (Algesheimer, Dholakia, & Herrmann, 2005).

Nevertheless, research on online community engagement to date has been predominantly conceptual or examined the personal benefits on customer engagement (Hollebeek, Glynn, & Brodie, 2014; Tsai & Men, 2014; Baldus, Voorhees, & Calantone, 2015). Few studies have investigated the extent to which community engagement shapes consumer price fairness perception. Through the engagement activities, the engaged members share, compare and receive relevant information about the service experience including perceptions of quality and price offerings. Since social comparisons about the comparative price offers could lead to consumer price fairness perceptions (Xia, Monroe, & Cox, 2004), it is expected that community engagement may play an important role in driving consumer price fairness perception.

Furthermore, extant literature recognises collective empowerment in an online context as a mechanism to shape perceptions toward targeted brands (Shaw, Newholm, & Dickinson, 2006; Kucuk, 2009; Siano, Vollero, & Palazzo, 2011). Through collective activities in an online community, consumers are empowered with a wealth of information about the services including quality and price tactics. As such, it is possible that collective empowerment could play an important role in fostering consumer price fairness perception. Thus, it is suggested the importance of discussing collective empowerment in this study.

Collective empowerment is refer to '*a social-psychological state of confidence in the group ability to challenge existing relations of domination*' (Drury & Reicher, 2005, p.35). The development of collective empowerment is facilitated by the exponential growth in online interactions (Hamill, Tagg, Stevenson, & Vescovi, 2010), evidenced by the individuals' ability to collaborate, share information, and define injustices in the living environment (Davies & Elliott, 2006; Drury & Reicher, 2009), and subsequently contribute, create and develop user-generated contents to solve these problems (Kerr, Mortimer, Dickinson, & Waller, 2012), thereby voicing their opinions towards the firms (Pires et al., 2006; Kucuk, 2009; Wiggins, 2012). Thus, the roots of collective empowerment lies in individual active participation in the collective activities of the community (Drury & Reicher, 2000; Van Zomeren & Iyer, 2009), community dialogue and participation in decision-making (Wallerstein & Bernstein, 1994; Carroll, 2003), community learning and sharing (McGregor, 2005). Furthermore, collective empowerment is driven by social resources such as creating and maintaining relationships with others (Giraud & Renouard, 2009; Compton & Beeton, 2012), as well as psychological resources such as self-esteem, capability to assert and understand the community matters (Gibson, 1991; Rich, Edelstein, Hallman, & Wandersman, 1995).

While the concept has been studied in different disciplines such as sociology (Peterson, Lowe, Hughey, Reid, Zimmerman, & Speer, 2006), political studies (Diemer, 2012), and management (Ergeneli, Ari, & Metin, 2007), collective empowerment has received limited examination in the marketing discipline. Marketing scholars have mainly focused on structural empowerment in which the organisation authorises individual consumers to become actively involved in the consumption process of products and services (Ouschan,

Sweeney, & Johnson, 2006; Pranić & Roehl, 2013). Specifically, community engagement is suggested to be linked to collective empowerment (Brodie et al., 2013). The activity of engaged members in online communities allows them to interact and collaborate with other members for collective actions in order to improve their products/services knowledge (Brodie et al., 2013; Baldus et al., 2015). The supportive environment of collective activities provided consumers access to shared user-generated resources as such as personal product/services usage experiences, and information on a number of alternatives relevant to their purchase events (Bell & Loane, 2010). As a result, collective empowered members are able to understand and interpret the consumptions situation which include dynamic price offers. However, previous studies on online communities have not examined these linkages among community engagement, consumer collective empowerment, and price fairness perception.

In summary, the current dissertation is motivated by a number of major gaps in the literature including limited studies about whether price fairness perceptions are influenced by online communities. Further, there is lack of research regarding the major community factors such as community engagement, consumer online collective empowerment and their influences on consumers' fairness perceptions.

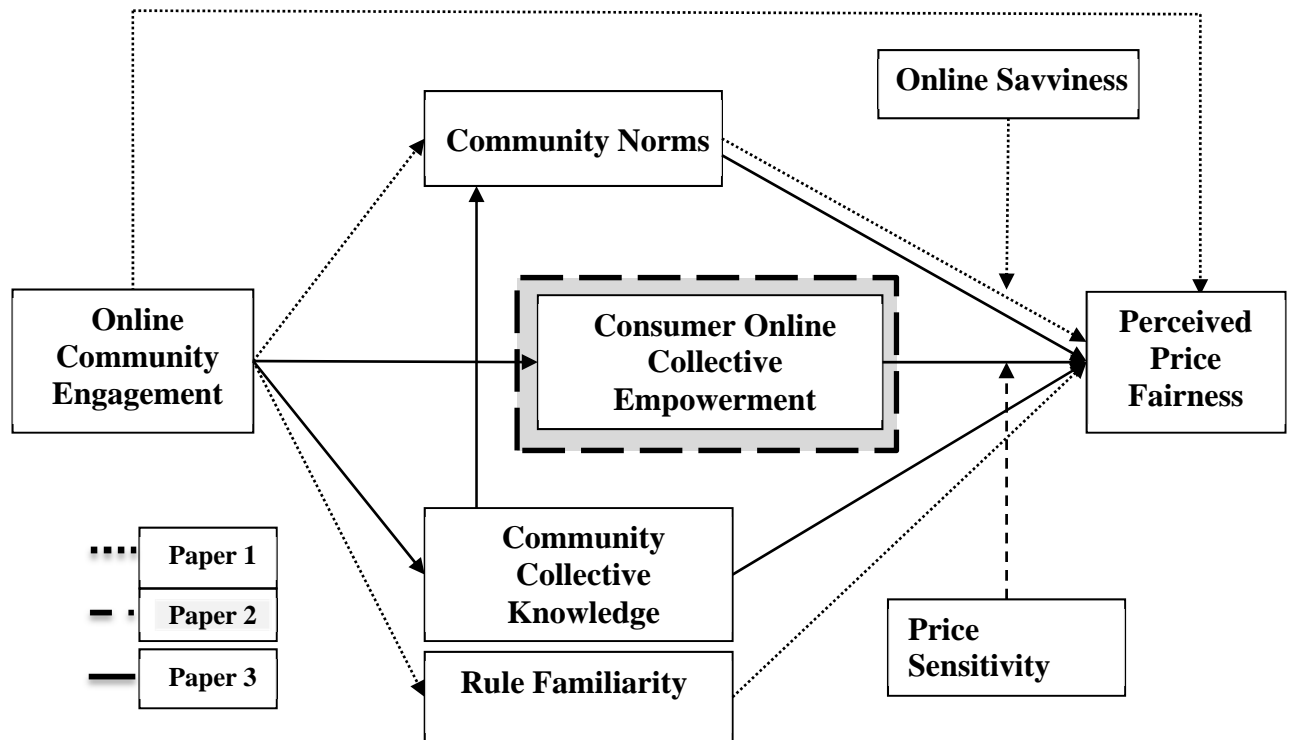
## **1.2.Overview of the Dissertation**

The principal focus of this thesis is to examine the extent to which online community factors shape consumer price fairness perception. The research conducted and reported in this dissertation examined the central role of community engagement and consumer online collective empowerment in driving consumer price fairness perception. The central research question for the study is:

*What is the extent to which online community engagement and customer online collective empowerment influence customer perceptions of price fairness?*

Figure 1-1 represents the conceptual framework of the overall dissertation and three papers that collectively form the research. The dissertation starts with the examination of the relationship between consumer engagement and price fairness perception, taking into account the mediating effects of community norms and rule familiarity, and the moderating effect of online savviness. Next, to have an in-depth understanding of the role of collective empowerment in the key relationship, paper two explores the conceptualisation and validation of the multi-dimensional nature of the consumer online collective engagement construct. The consumer online collective engagement construct is then examined in the third paper, which investigates its mediating role in the relationship between community engagement and price fairness perception. It also incorporates community norms, community collective knowledge, and price sensitivity as intervening mechanisms.

**Figure 1-1: The Dissertation Conceptual Framework**



**Table 1-1: Overview of relevant studies in each chapter**

Chapter	Relevant Study
Chapter 2	Study 1 (n = 357) - Quantitative Survey
Chapter 3	Study 2 (n = 3,500 comments, 277 respondents) – Netnographic study Study 3 (n = 320) – Quantitative Survey Study 4 (n = 316) – Quantitative Survey
Chapter 4	Study 4 (n = 316) – Quantitative Survey

### 1.3. Ontological and Epistemological Paradigms of the Research Dissertation

A research paradigm represents the basic belief to guide a research (Guba & Lincoln, 1994) and rests on the foundation of ontological and epistemological approaches to behaviour

(Neuman, 2011). While ontology is concerned with things that actually exist, epistemology is focused on the presence of knowledge, its possibility, and scope (King & Horrocks, 2010). In the other words, ontology tries to understand what is true and epistemology is about methods of exploring those truths (Neuman, 2011).

The positivism research paradigm guided the development of the conceptual framework presented in the current dissertation, incorporating both realist ontology and representational epistemology (Gill & Johnson, 2010). Realists perceive that the real-world phenomena are imperfect and probabilistically apprehended (King & Horrocks, 2010). This approach enables the researcher to perceive reality to be objective and logical by observing a situation, a context or mechanisms in online communities driving effects in individual perception and behaviour (Neuman, 2011). This dissertation hypothesises the causality between focal community constructs and their antecedences/consequences. This approach can be justified by the positivistic paradigm, which systematises the process to generate the knowledge, describe the parameters and the relationships among them by using quantitative data (Crowther & Lancaster, 2008). This approach is applied in all three papers that comprise this thesis, which will now be outlined.

#### **1.4. Paper one: Engagement In Online Communities: Implications For Consumer Price Perceptions**

While many consumers use prices to assess the value of the services and to make their purchase decision (Hardesty, Bearden, & Carlson, 2007), they are not familiar with how offered prices are discriminated and customised. Further, many consumers do not know about the price norms or the price setting practice in particular service sectors (Choi & Mattila,

2009). Lack of consumers' knowledge about pricing tactics could lead to perceptions that the pricing strategy is unfair that, in turn, impact their service evaluation and likelihood to purchase that service (Mathies & Gudergan, 2011). Therefore, how to facilitate rule familiarity and understanding of the norms of pricing among consumers is a key challenge for service providers in order to strengthen consumer price fairness perception. Extant literature has recently explored the role of online communities in providing customers information about the services in the marketplace including quality and pricing (Brown, Broderick, & Lee, 2007). In particular, several scholars highlight the important role of engaged members who are pro-active in community activities (Heinonen, 2011; Brodie et al., 2013). As active members, they can seek, share, and contribute useful information regarding the dynamic price, promotional deals, and industry practice of price setting. It is possible that their discussed information could foster fairness perceptions of the pricing policy. However, the extant literature has not investigated directly the linkages of these community factors and price fairness perception.

Given the increased transparency of pricing strategies due to information sharing in online platforms, service providers need to understand the extent to which online communities influence consumer perceptions of price fairness. Social information processing theory (Fulk, Steinfield, Schmitz, & Power, 1987) provides the theoretical foundation for this paper, in that engaged members often receive and process price-related information through their online interactions. Such interactions enhance their familiarity with the dynamic price setting of service providers and, in turn, shape their price fairness perception. In addition, their engagement with the community facilitates the members' adoption of community norm of pricing in order to perceive the fairness of dynamic pricing. This paper, therefore, addresses the following research questions:

*RQ 1: What is the extent to which online community engagement influences consumer perceived price fairness?*

*RQ 2: Does consumers' adoption of community price norm and rule familiarity mediate the effect of online community engagement on consumer fairness perception?*

*RQ 3: Are there differences in these aforementioned relationships, depending on consumer savviness?*

Data collected from 357 online community members confirm that community engagement is positively related to price fairness perception. This relationship is fully mediated by the adoption of community norms and rule familiarity. That is, regular interactions of engaged members in online communities influence their attitudes toward the pricing strategy of service providers. Further, their engagement with online communities enables members to adopt the group norms to strengthen their understanding about dynamic pricing. Thus, they are willing to accept the prices set in line with industry norms or current market practices. This, in turn, shapes their positive perception toward the brand dynamic offers. Importantly, the positive effect of community norms on perceived price fairness is stronger for consumers with a higher degree of online savviness.

This paper provides insights into how engaged members adopt community norms and process the information disseminated from other group members to become familiar with the dynamic price setting tactics of service firms. The findings contribute to the theoretical development of consumer engagement (Brodie et al., 2013; Christoph, Roderick, & Linda, 2014; Hollebeek et al., 2014) by elaborating the important role of community engagement in shaping consumer price fairness perception. It suggests that service providers should effectively communicate with consumers through online communities to improve consumer



understanding of pricing rules and conditions in order to foster a positive fairness perception toward the dynamic pricing strategies.

### **1.5. Paper Two: Consumer Online Collective Empowerment: Conceptualisation, Scale Refinement And Validation**

Results from paper one suggest that price fairness perception of engaged community members is a function of up-to-date information, personal experiences, tips which are processed through member interactions in collective activities. The emerging question is how engaged members are willing to accept the influences of the community about dynamic pricing as an industry practice that, in turn, leads to their price fairness perception. One explanation for this is that through the interactive and supportive nature of the group activities, it creates members' confidence in the ability of the group in allowing members to support one another, learn together, and develop competences in order to take actions for member benefits (Leung, 2009). Through the lens of social identity theory, Drury and Reicher (2009) highlighted that when like-minded people are grouped and participate in the collective actions, they realise the emergence of collective empowerment. Through the power of collective actions, members perceive that they are able to handle any issues related to their living environment effectively (Amichai-Hamburger, McKenna, & Tal, 2008; Drury & Reicher, 2009; Petrič & Petrovčič, 2014). Moreover, evidences from existing studies (Davies & Elliott, 2006; Kucuk, 2009; Siano et al., 2011) suggest that collective empowerment in an online context may generate positive perceptions and behaviours toward the targeted service providers. In other words, it could be argued that collective empowerment in online communities fosters the belief of community members in the collective to construct and interpret the pricing practice in the marketplace. Such activities could empower engaged

members collective resources, energy, and competence to deal with dynamic pricing offers. This premise leads to the needs to examine consumer collective empowerment in online communities.

Paper two is necessary and timely for two key reasons. First, in spite of the extensive research attention on collective empowerment in other disciplines, little is known about the dynamic of collective empowerment in an online context. Second, the extant literature has examined empowerment at the individual level, focusing primarily on perceptions of personal control. As such, existing scales are insufficient to evaluate the notion of collective empowerment in online communities. In order to gain a deeper understanding of this construct and its linkages to consumer price fairness perception, paper two addresses the following two research questions:

*RQ 4: What is the nature of consumer online collective empowerment in online communities?*

*RQ 5: How can consumer online collective empowerment in online communities be measured?*

Paper two utilises a qualitative netnographic approach to explore the nature, dimensions, and scope of consumer online collective empowerment among members of an Australian frequent flyer community. The netnographic findings suggest consumer online collective empowerment encompasses four dimensions, namely cognitive empowerment, emotional empowerment, behaviour empowerment, and relational empowerment. Based on a review of the extant literature and netnographic findings, Paper two develops and empirically evaluates a four-dimensional measure through two quantitative surveys with a total of 632 respondents. The scale is further validated through an examination of its nomological network, establishing its discriminant validity from related constructs including community identity

and online passions. The study advances existing knowledge on empowerment by providing a comprehensive measurement of collective empowerment in online communities, incorporating the key components suggested by Christens (2012).

### **1.6. Paper three: Antecedents and consequence of consumer online collective empowerment: A study of travel community members**

Having developed an operational model in paper two, it is then possible to conduct empirical studies to examine the nomological network of consumer online collective empowerment including an examination of its impact on price fairness perception. Since the effective collective activities provide the condition for the emergence of collective empowerment (Drury & Reicher, 2009), the enthusiasm of engaged members in providing a wealth of useful information, managing the discussions, facilitating member contributions (Heinonen, 2011; Baldus et al., 2015) that could lead to a sense of collective empowerment among participants is examined. Moreover, the contributions to collective knowledge around the discussed topic enable all members to keep updated relevant market information (Kelleher, Whalley, & Helkkula, 2011) which, in turn, would lead to collective consumer power. On the other hand, literature argues the importance of community norms in shaping member attitude and behaviour in joint community actions in order to generate stronger collective empowerment (Mathwick et al., 2008; Zhao, Grasmuck, & Martin, 2008).

Accordingly, drawing on resource dependence theory and social capital theory, paper three empirically tests a novel model stipulating the linkages between consumer online collective empowerment with other community factors, including community engagement, community knowledge, and community norms, as well as the extent to which these relationships can

potentially lead to a positive price fairness perception. Further, the moderating effect of price sensitivity on the relationship between consumer online collective empowerment and consumer price fairness perception is also examined. Paper three, thus, addresses the following research questions:

*RQ 6: What is the extent to which online community engagement influences consumer perceived price fairness through consumer online collective empowerment?*

*RQ 7: Do community norms and community collective knowledge mediate the effect of online community engagement on consumer online collective empowerment?*

*RQ 8: Are there differences in the relationship between consumer online collective empowerment and consumer perceived price fairness, taking into account the role of consumer price sensitivity?*

The proposed conceptual model is tested on a sample of 315 online community members. The results indicate that community engagement is positively and significantly related to consumer online collective empowerment. Engaged members feel empowered while participating in collective activities, where they can have support and access to update information shared by other members. Further, the relationship is partially mediated by two key community factors, namely community collective knowledge and community norms. Norms and collective knowledge contributions are adopted by the engaged members in order to strengthen the productivity of collective empowerment. In addition, the findings from paper three provide strong empirical evidence for the influence of consumer online collective empowerment on consumer positive fairness perception in regards to the pricing policy of service organisations. This can be explained by the premises of resource dependences theory, which posit the interdependency of resources between community and its members could provide members with more control over the purchase involving dynamic pricing and, thus,

strengthen the price fairness perception. This relationship is moderated by the level of individual sensitivity with the price.

### **1.7. Summary**

This chapter provides an introduction for three studies forming this PhD dissertation by papers. It first discusses research problems which highlight the importance of online communities, with a particular focus on the roles of community engagement and customer online collective empowerment in generating price fairness perception. Next, the research ontological and epistemological paradigms are discussed, followed by the presentation of the general framework of this dissertation. Finally, the overview of three studies are outlined, discussed with justifications of significant contributions to the dissertation.

## **CHAPTER 2 : ENGAGEMENT IN ONLINE COMMUNITIES: IMPLICATIONS FOR CONSUMER PRICE PERCEPTIONS**

### **2.1 Introduction**

In today's marketplace there are many examples of dynamic price setting practices. Differing price strategies are set for different consumer segments (e.g. pensioner and student rates at the movies), different rates for usage at peak times (e.g. airlines and trains charging for travel), different rates to reflect the service time (e.g. same-day dry cleaning is more expensive) and many other examples (Ferguson, Ellen, & Bearden, 2014). Consumers are sensitive to these price-setting practices and judge the perceived fairness of the price paid and/or the fairness of the procedure employed to set the price (Kahneman, Knetsch, & Thaler, 1986; Xia et al., 2004). Consumers assess whether the difference (or lack of difference) between a seller's price and a comparative price, is reasonable, acceptable or justifiable (Xia et al., 2004). Perceived price fairness is an important consideration for any organisation, since it leads to consumers' positive or negative responses toward its offers (Choi & Mattila, 2004), perceived value of the offers (Xia et al., 2004), loyalty, willingness to pay more, and potentially complaining behaviour and revenge if the price is perceived to be unfair (Chung & Petrick, 2012).

For consumers, online communities have become an important networked space in which consumers interact, collaborate, share information, voice their opinions and express their attitudes towards organisations and their offerings (Burton & Khammash, 2010). Engaged consumers and non-paying consumers are highly interactive and share their experiences and opinions among community members, hence shaping the perceptions of the community (Brodie et al., 2013). Online communities provide an ideal platform for price information and

strategies to be extensively shared and discussed among their members. Through this platform, consumers make fairness judgments of the pricing offers based on the equity of how much they paid, how much they think a deal should cost (Bolton et al., 2003), or the price paid by comparative others (Taylor & Kimes, 2010). Consumers seeking price information in online communities may be influenced by both consumers with brand experience and also non-paying consumers with potentially little or no brand experience. Previous research found that online recommendations from previous users/purchasers typically had a positive influence on brand perceptions, while non-paying consumers with no previous brand experience often had a detrimental effect (Burton & Khammash, 2010).

Along with an organisation's increased ability to implement price discrimination comes a greater need for price transparency (Rohlf's & Kimes, 2007). Previous research found disclosing the rules of price setting to consumers could reduce the tension surrounding price fairness perceptions (Taylor & Kimes, 2010). However, consumers will often seek the views and advice of their peers rather than accepting the information provided by the organisation. Despite this understanding, there remains scant knowledge about consumer perceptions on price fairness in an online community context, especially in relation to price-discrimination activities (Spiekermann, 2006). Therefore, the current study seeks to explain the impact of online communities on consumers' perceptions of price fairness, by examining the role of community norms and rule familiarity as a result of online community engagement. It is believed that discussions within online communities revolve around price setting narratives that, in turn, enable members to familiarise themselves with the general practice of dynamic pricing and its use in a specific industry context. Further, extensive discussions of concepts such as price discrimination lead to the development of community norms surrounding pricing strategies. These norms are general rules and beliefs held by the online community

that will be adapted by engaged members due to their regular interactions with others. Pricing topics are highly visible in online communities, such as the example below from Lonely Planet.

**Topic: India Travel - Increased hotel price in Varanasi - Trick or real???**

‘I made an email reservation for two nights in October with XXXX. I received an email reply that they will increase the price from the 1st of August (double room: from R1200 to R1500), which is not mentioned on their website. Is this a typical “trick” to make more money, or is it normal to increase the prices from August?’

**Reply from non-paying consumers**

‘The rate of inflation in India is a real issue. Annual CPI is around 8-9% and while market forces demand that hotels 'eat' some of this they do have to respond with price rises. Moreover, October is the start of the season and many places have both a season and off season price.’

‘It is common for hotels in India not to update their websites. Prices can change by high/low seasons and festivals. As stated above bargaining when you get there is almost always cheaper than booking in advance BUT many of the popular hotels in Varanasi are often full and wouldn't be open to bargaining anyway except in low season.’

By linking consumer engagement in online communities with consumer price fairness perception, this paper enriches the current scholarly conversation (e.g. Constantinides, 2006; Harwood & Garry, 2010) regarding the need for firms to increase the level of interaction with their consumers and non-paying consumers online (Hamilton & Hewer, 2010). The paper further extends our understanding of the influence of community engagement on an individual's attitudes and perceptions, through the lens of social exchange and social



information processing theories, emphasising the effects of two socially derived factors – namely community norms and rule familiarity. Thus, this paper makes contribution to the existing knowledge on online interaction behaviour (Grant, Clarke, & Kyriazis, 2007), enriching insights on the social contagion effect of information in online communities (Huang, 2010). Hence, this paper addresses three research questions:

*RQ 1: What is the extent to which online community engagement influence consumer perceived price fairness?*

*RQ 2: Does consumers' adoption of community price norm and rule familiarity mediate the effect of online community engagement on consumer fairness perception?*

*RQ 3: Are there differences in these aforementioned relationships, depending on consumer savviness?*

This paper is structured such that the first section examines the role of online community engagement in facilitating price fairness perceptions. Using social information processing theory and social exchange theory, it explores the mediating roles of rule familiarity and community norms in this relationship and consider the moderating impact of consumer online savviness. The paper then provides details of the research methodology and the research findings. The paper concludes with a discussion of the research results and highlights potential future research directions.

## **2.2 Literature Review**

### **2.2.1 Online communities**

Online or virtual communities are characterised by people with shared interests or goals, for whom electronic communication is the primary form of interaction (Hennig-Thurau,

Gwinner, Walsh, & Gremler, 2004). These online communities allow both consumers and non-paying consumers of the organisation to exchange information without geographic and time constraints (Litvin, Goldsmith, & Pan, 2008), and connect with each other in more powerful and flexible ways (Hennig-Thurau et al., 2004). Consumers participate in online communities for several unique reasons ranging from advice seeking, the desire for social interaction, their concern for others, to the desire for economic incentives and self-enhancement (Hennig-Thurau et al., 2004). Consumers' intention to participate in an online community is principally driven by its perceived usefulness and perceived ease of use (Koh et al., 2007).

Similar to offline communities, online communities can significantly influence consumer attitudes and behaviour (Kim et al., 2008). Participation in online communities has been found to positively impact consumer attitudes such as brand loyalty (Jang, Olfman, Ko, Koh, & Kim, 2008), brand image (Woisetschläger, Hartleb, & Blut, 2008) and intentions to use (Kim et al., 2008). Different facets of social capital, including social interaction ties, trust, norms of reciprocity, identification, shared vision, and shared language, can influence the quantity and quality of the knowledge shared among the community members (Chiu, Hsu, & Wang, 2006). As consumers seek information due to their lack of experience, they are willing to accept the overriding group opinion (Litvin et al., 2008). Differing from 'expert' reviews, which are often mistrusted and considered manipulated by the service providers, online discussions by consumers who are not paid to offer comment provide a high level of authenticity and credibility (Burton & Khammash, 2010). Online discussions from both consumers and non-paying consumers offer a valuable source of word of mouth utilised by new and potential consumers to select the best product/service at the best price.

### 2.2.2 Engagement in online communities

Although online communities play an important role in the sharing of information among members, the impact of the online community depends on the strength of the engagement by the consumers with the community (Brodie et al., 2013). Consumer engagement involves an interactive experience and being engrossed in a behavioural and attitudinal sense (Gambetti & Graffigna, 2010; Hollebeek, 2011; Brodie et al., 2013). Moving beyond transaction-based judgement (Brodie, Ilic, Juric, & Hollebeek, 2011) , it represents the strength of the relationship between consumers and the community (Van Doorn et al., 2010). Existing definitions of engagement recognise a positive state (enthusiasm, passion, energy), and motivation toward that involvement (Algesheimer et al., 2005). In line with the literature, we adapt the definition of consumer brand engagement proposed by Hollebeek (2011, p.565) for an online community context and define online community engagement as an '*individual's cognitive, emotional and behavioural investment in the interactions with an online community*'.

Extant studies on online community engagement have examined the nature, role and mechanisms of engagement (Brodie et al., 2013; Wirtz et al., 2013; Baldus et al., 2015). Antecedents of online community engagement have been categorised as brand-related drivers, social drivers, and functional drivers (Wirtz et al., 2013). In addition, online community characteristics, such as high levels of interaction and intensity of online community usage, directly influence consumer engagement (Seraj, 2012; Dijkmans, Kerkhof, & Beukeboom, 2015). For example, air travellers engage with an online travel community when they perceive the unique culture and high interactive environment of such community (Seraj, 2012).

Nevertheless, several studies examining antecedents of online community engagement are predominantly conceptual and many of the relationships have not been empirically demonstrated. There are limited studies examining the impact of online community engagement on specific determinants of product or service value, despite the conceptual proposition of brand-related and consumer-related outcomes in a broader context (Van Doorn et al., 2010; Wirtz et al., 2013). Further, while the literature has examined individual consequences of consumer engagement (e.g. satisfaction, trust, commitment) (Brodie et al., 2013), there has been little explanation of the influence of other actors within an online community on consumers' attitudes and perceptions. Where the impact of online communities on consumer purchase intentions has been examined, it has without exception been articulated through a benefits or quality perspective and not considered a cost or price perspective (Bechwati, Sisodia, & Sheth, 2009).

### **2.2.3 Revenue management and dynamic pricing**

Revenue management, a strategy of creating and managing service packages to maximise revenue (Chiang, Chen, & Xu, 2007), has been widely adopted by various capacity-constrained sectors (Belobaba, 1987; Kimes, 1989). The focus of revenue management has gradually changed from yield management, which focused on inventory control, to dynamic pricing (Kimes & Wirtz, 2003). Dynamic pricing, or demand-based pricing, is the most popular strategic approach of revenue management (Xia et al., 2004; Burger & Fuchs, 2005). It refers to *'the buying and selling of goods and services in markets where prices are free to adjust in response to supply and demand conditions at the individual transaction level'* (Garbarino & Lee, 2003, p.496). Although companies from various service industries (e.g. airlines, hospitality, entertainment, car rental services) frequently adopt dynamic pricing

strategy (Elmaghraby & Keskinocak, 2003), some service firms are unwilling to apply this approach due to a potential negative impact on consumer perceived fairness (Kimes & Wirtz, 2003). As the practice of dynamic pricing increases, there is a greater need to understand the impact of online communities on price sensitivities and the consumers perceived fairness of the prices offered by the organisation.

#### **2.2.4 Perceived price fairness**

Perceived price fairness refers to the consumer perception on *'whether an outcome, and/or a transaction process is... reasonable, acceptable, and just'* (Wirtz & Kimes, 2007,p.231). According to the theory of dual entitlement, while firms are entitled to a reasonable profit and consumers are entitled to reasonable price, consumers believe that (a) if costs increase, price increases are fair, (b) if costs do not increase, price increases are seen as unfair and (c) if costs decrease, consumers believe it is reasonable to maintain or reduce the price (Kimes, 1994). If consumers see no difference in terms of additional service or value attached to higher peak-demand price, their dual entitlement beliefs may be violated (Kahneman et al., 1986). Further, equity theorists depict that consumers compare the prices with internal or external reference prices from their previous purchases, from the price other people paid, from the other sellers' offers, or simply from how much they think a service should cost (Bolton et al., 2003; Xia et al., 2004). For example, if consumers view regular or peak-seasonal prices as higher than their reference prices, they may view the prices charged as unfair. Similarly, discounts during low-demand periods reduce the consumer's internal reference price and thus make purchases at the regular or premium rate seem unfair (Kimes & Wirtz, 2003). While the theory of distributive justice recognises that consumers perceive they

are entitled to a reward proportionate to what they contribute, equity theory broadens this perspective to capture the comparative influence of others.

Given the importance of price fairness perception, recent research has investigated how service providers are able to achieve a positive fairness perception (Wirtz & Kimes, 2007). Consumers have been found to respond well to the illusion of control or involvement in setting pricing, such as via auction sites (Haws & Bearden, 2006). Pricing perceptions are more favourable when consumers have had a positive previous experience (Homburg, 2005; Garbarino & Maxwell, 2010) or when they have knowledge of the companies pricing strategies, such as the use of rate fences (the terms and conditions of a discount/premium rate which may include volume, length of purchase, added benefits) (Kahneman et al., 1986; Kimes, 1994). For example, travellers feel a price differential is fair if they know hotels frame their discriminated rates as a discount for ‘early bird’ bookings, or a premium for ‘last minute’ bookings (Wirtz & Kimes, 2007). Recent research of (Homburg, Totzek, & Krämer, 2014) also highlighted the role of perceived price complexity, transparency of the firm’s price setting, and the objective and subjective price advantage in influencing price fairness.

Price fairness is an important consideration for organisations to address as it impacts on attitude towards the buyer (Maxwell, 2002), consumers choice and willingness to buy (Homburg et al., 2014), willingness to pay more, and loyalty (Chung & Petrick, 2012), and when negative perceptions, their complaining and revenge seeking behaviour (Xia et al., 2004; Chung & Petrick, 2012).

### **2.2.5 Linking Online Community Engagement and Pricing Fairness Perception**

Members of online communities engage actively in knowledge contribution and are often responsive in solving other members' service problems (Wiertz & de Ruyter, 2007). Although community members may not know each other offline, their relational bond with the community encourages them to help other fellow members by providing helpful information. Consistent with social information processing theory, individuals use the information they receive from other online community members to interpret organisational practices, norms and values (Salancik & Pfeffer, 1978; Lemerise & Arsenio, 2000). As they gain information about other members' beliefs, motives and intentions, they decide whether to further their social relationship and internalise the information provided (Brodie et al., 2013).

Accordingly, consumers who engage in online communities share, compare and receive information about service experience, service quality and price offerings (Algesheimer et al., 2005; Brodie et al., 2013). Given perceived fairness is determined not only by the prices offered to consumers (internal reference) but also by prices available to others (social comparison) (Xia et al., 2004), we predict such engagement with the online community will, in turn, influence consumer price fairness perceptions. More specifically, online community engagement allows consumers to familiarise themselves with revenue management pricing practices which in turn minimises negative fairness perception (Wiertz & de Ruyter, 2007).

In instances where consumers seek price-related information through engagement with the online community, they often receive information that enhances their perceptions of the offer facilitating their perceptions of price fairness. For example, online members share information about the conditions related to discount/premium bookings and tips on how to they get the best deal during high/low seasons. The frequency and timing of such relevant

information reduces consumer negative perceptions about dynamic price-setting and strengthens the value of the relevant offers. Consumers clarify the value and purpose of rate fences and receive information from their peers about the value expected at a given price (Noone & McGuire, 2013), hence this additional knowledge, enhances the transparency of the price-setting process and potentially reduces negative consumer perception about price fairness. Thus, we propose consumers who are more engaged with the online activities of their community have positive fairness perceptions of the dynamic pricing strategy adopted by service organisations and hypothesise that:

*H1: Online community engagement positively influences perceived price fairness*

#### **2.2.6 Online Community Norms as a Mediating Mechanism**

Consumers who engage with an online community behave as its citizens by voluntarily helping other members, participating in joint activities, and acting of their own volition according to community expectation (Algesheimer et al., 2005). These interactive activities create a psychological sense of community and belongingness, highlighting the importance of the social aspect of community engagement (Algesheimer et al., 2005; Brodie et al., 2013). According to social identity theory, community members identify with their social group, which enables them to adopt certain group norms and affiliation (Tajfel & Turner, 1985).

Norms (social or community) refer to the group pressures on a person to comply his/her behaviour in a manner expected by the group and the person's motivation to comply with those pressures (Kim, Kim, & Shin, 2009). Horne (2001, p.5) defined social norms as "*rules, about which there is at least some degree of consensus, that are enforced through social sanctions.*" In line with this definition, community norms refer to the general rules held by



the online community about offers made by the organisations. For example, consumers accept widely held norms that online retailers should not charge higher prices to loyal and frequent consumers (Maxwell & Garbarino, 2010), and that different prices can be applied at different purchase times (Kahneman et al., 1986).

Previous studies have shown how consumers rely on referents' opinions when they make purchase decisions (Kim et al., 2009), especially those who are in the early stages of service/product usage or have no prior experience for service/product evaluation (Lee, Qu, & Kim, 2007). They are willing to accept dynamic pricing strategies if they consider them an industry norm (Wiertz & de Ruyter, 2007; Choi & Mattila, 2009). Further, (Maxwell & Garbarino, 2010) identified that consumers in the cyberspace context accept discriminated prices if they perceive the society to be more accepting of the practice. The norms of particular 'closer' groups are more influential in shaping members' perceptions and behaviours (Cheung et al., 2011). In line with this discussion, we argue that engaged members, who are more exposed to evidence of dynamic pricing in regular interactions with others, are influenced by community norms of reference prices, and consumers' fairness perceptions are judged relative to these community norms (Kahneman et al., 1986; Xia et al., 2004). Pricing policies that violate these norms could have a negative impact on consumer fairness perception (Garbarino & Maxwell, 2010). We argue that the more a consumer is engaged with the online community, the more influence the community norms (including price fairness perception) has on the individual. That is,

***H2: Community norms mediates the effect of online community engagement on consumer perceived price fairness***

### 2.2.7 Rule Familiarity as a Mediating Mechanism

In order to increase the acceptance of dynamic pricing, familiarity with price setting is important in shaping consumer fairness perception (Wiertz & de Ruyter, 2007; Choi & Mattila, 2009; Taylor & Kimes, 2010). Rule familiarity is defined as ‘*the extent of consumer direct or indirect experiences with the rules of dynamic pricing*’ (Park & Stoel, 2005, p.150). Kimes (1994) found that the acceptability of hospitality dynamic pricing depended on the availability of information on the different pricing options provided by hoteliers. When consumers are aware of pricing rules, they are able to self-select the price and time optimal to their value expectations. Although rule familiarity has been a well-researched topic in the dynamic pricing literature, the mechanism driving rule familiarity is a somewhat neglected area of study.

Engaged online community members, during their interaction with others, receive knowledge concerning service providers (Algesheimer et al., 2005), including price setting information. Since familiarity with demand-based pricing can influence consumer reaction to variable offers (Rohlf's & Kimes, 2007), consumers are able to assess and select the offerings that match their budget and expectation (Wiertz & de Ruyter, 2007). Consequently, it minimises the price unfairness perception toward dynamic price setting (Choi & Mattila, 2004). Thus, we hypothesise:

**H3:** *Rule familiarity mediates the effect of online community engagement on consumer perceived price fairness.*

### 2.2.8 The Moderating Role of Consumer Online Savviness

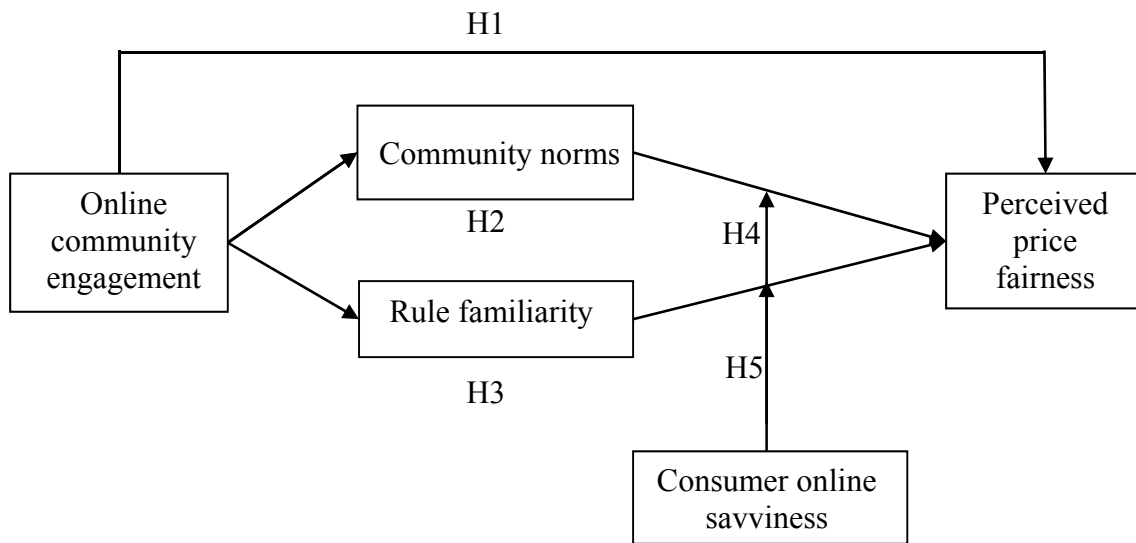
Consumer online savviness is *'the competency of consumers across an array of practical skills and knowledge to respond to a constantly changing, networked environment'* (Macdonald & Uncles, 2007, p.499). The term consumer savviness posits certain competency skills including technology sophistication (high level of adoption of new and complex technology) and network competency (both online and interpersonal) (Macdonald & Uncles, 2007). A relationship has been established between consumers' level of savviness and their actively seeking and adapting online information (Garnier & Macdonald, 2009). Consumer savviness enables consumers to collect new ideas, and widen their knowledge through interaction with the online marketplace. In turn, they have a better understanding of the products/services and are likely to strengthen their influence in the community. A high level of consumer online savviness will generate greater confidence toward online information (Bart, Shankar, Sultan, & Urban, 2005). Moreover, online savvy consumers are able to adopt and use advanced technologies to improve the effectiveness of their online shopping such as gathering product information, maintaining connection with consumer communities, and enhancing control over information flows (Macdonald & Uncles, 2007). Consequently, consumer online savviness could influence the extent to which community norms and rule familiarity impact perceived price fairness. Our fourth and fifth hypotheses, therefore, are:

*H4: The impact of community norms on consumer perceived price fairness will be moderated by consumer online savviness.*

*H5: The impact of rule familiarity on consumer perceived price fairness will be moderated by consumer online savviness.*

The proposed hypotheses are summarised in Figure 2-1.

**Figure 2-1: Conceptual model for study 1**



## 2.3 Methodology

### 2.3.1 Data Collection

The study collected data from Qualtrics' Australian consumer panel through an online survey. To qualify for the study, a respondent had to be above 18 years of age and visited an online community to share their travel experiences or seek travel information and advice from others in the last 12 months. Drawing from the sample of 1,535 qualified respondents, the study obtained 357 completed responses, yielding a response rate of 23.3%. In terms of gender, 49% of the respondents were male, and the average age for all respondents was 44.59 (SD = 15.64). Approximately 55% of respondents nominated TripAdvisor as the online travel community they most frequently visited.

### 2.3.2 Measurement

All measurements were adapted from the existing literature on consumer engagement and price fairness (see Appendix). All multi-item scales were measured on a seven point Likert

scale. A multi-dimensional scale of *online community engagement* was adapted from Hollebeek et al. (2014), capturing the members' cognition, affection and activation toward the online community. In this study, the scale yielded a Cronbach's alpha of .93. *Consumer online savviness* was adopted from Macdonald and Uncles (2007), capturing the technological sophistication, network competency, marketing literacy, self-efficacy, and expectations of the consumers. In the current study, it yielded a Cronbach's alpha of .92. *Community norms* was drawn from the two-item scale from Algesheimer et al. (2005) to measure the extent to which members feel they must behave according to other community members' expectations. The Cronbach's alpha for this scale was .90.

To measure *price fairness perceptions* and *rule familiarity*, the study utilised a scenario-based design, which has been used frequently in previous studies (Havlena & Holbrook, 1986; Taylor & Kimes, 2009). Each respondent was randomly assigned one of two dynamic pricing scenarios, developed based on Taylor and Kimes' (2009) study as following.

“You were flying to Sydney on a holiday around Christmas time. You wanted to stay at your favourite 4-star hotel (similar to the Holiday Inn Potts Points, Four Seasons Darling Harbour, Novotel Darling Harbour, Radisson Hotel and Suites) that has a top location and offers semi high-end amenities such as personalised service, 24-hour room service and valet parking, a fitness centre, and a full service restaurant. After browsing the web on several online booking sites, you decided to make a reservation at \$350/night (*\$290/night*) for your accommodation over 5 nights. This booking cost you \$1,750 (*\$1,450*). However, when you shared your deal in the online travel community that you've been telling us about and read some new topics on the forum, you found out that some members had booked to stay in the same hotel during the same time period in a similar room type, and only paid \$290/night (*and paid*

*\$350/night*). With that lower rate (*\$290/night*), you could have saved \$300 over a 5-night stay. (*You realised that you had saved \$300 with your lower rate (\$290/night for 5 nights)*)

Having read the scenario, the respondent was asked to indicate their familiarity with the practice of dynamic pricing on a two-item scale from Choi and Mattila (2004) and their fairness perceptions toward the dynamic pricing practice using three items from Taylor and Kimes (2009). The Cronbach’s alpha values were .89 and .91 for the two scales, respectively.

## 2.4 Results

The measurement model suggests a reasonable fit between the data and the model ( $\chi^2 (493) = 1026.38$ , CFI = .94, GFI = .86, TLI = .93, NFI = .90, RMSEA = .06, SRMR = .05). Table 1 provides the descriptive statistics, composite reliability, average variance extracted, and the correlations of the key constructs. Given that age ( $r = -.30, p < .01$ ) and income ( $r = .25, p < .01$ ) significantly correlated with price fairness perception, these two variables were controlled for in our subsequent analyses.

**Table 2-1: Descriptive statistics, correlation matrix, and reliability**

	Mean	SD	CR	AVE	1	2	3	4	5	6	7
1. Age	44.59	15.64									
2. Gender	1.51	.51			-.02						
3. Income	2.98	1.23			-.06	-					
4. Community engagement	5.03	1.00	.95	.65	-.05	.20**					
5. Community norms	4.16	1.66	.89	.81	-.34**	-	.13*		.55**		
6. Rule familiarity	5.47	1.24	.90	.82	.08	.17**	.11*	.24**	-.03		
7. Perceived price	3.92	1.60	.92	.78	-.30**	-.06	.25*	.15**	.29**	.24**	

fairness							*				
8. Consumer online savviness	4.95	.93	.98	.71	-.28**	-.04	.26*	.65**	.56**	.23**	.23**

\*\* p < .01; \* < .05; SD = Standard deviation; CR = Composite reliability; AVE = average variance extracted

To examine the discriminant validity of the variables, the researchers compared the square root of the average variance extracted (AVE) of each construct and its correlation coefficients with other constructs. As shown in Table 1, all square roots of the AVE of each construct are greater than the correlation coefficients, confirming the discriminant validity of each latent construct (Fornell & Larcker, 1981).

The study sample size was smaller than the number of parameters to be estimated, leading to insufficient power for structural model estimation (Westland, 2010). We used the PROCESS macro developed by Hayes (2013) for our analysis. PROCESS makes no assumptions about the normal distribution of the indirect and total effects of the mediators. It also allows researchers to estimate the bootstrapped confidence intervals for each hypothesised path.

Consistent with hypothesis 1, the study found online community engagement was positively related to consumer perceived price fairness ( $B = .18$ ;  $p < .05$ ;  $R^2 = .16$ ; 95% bootstrap CI from .03 to .34). Hypotheses 2 and 3 proposed the relationships between consumer online community engagement and perceived price fairness would be mediated by community norms and rule familiarity. Results suggested that the indirect effect between online community engagement and perceived price fairness via community norms was significant (*indirect effect* = .20;  $p < .01$ ; 95% bootstrap CI from .09 to .33). In addition, the indirect effect between online community engagement and perceived price fairness via rule familiarity was significant (*indirect effect* = .10;  $p < .01$ ; 95% bootstrap CI from .05 to .17).

As a consequence, the direct effect of online community engagement on perceived price fairness became non-significant (*direct effect* = -.12; 95% bootstrap CI from -.30 to .07), suggesting a full mediation. Together, these variables explained 23.37% of the variance in perceived price fairness. As such, the results provide support for both hypotheses 2 and 3 that community norms and rule familiarity mediate the relationship between online community engagement and perceived price fairness.

To test the moderating effect of consumer online savviness, the study followed the three-step process suggested by Aiken, West, and Reno (1991) and conducted a series of hierarchical multiple regression analyses. In step 1, we entered the control variables (i.e., age and income). In step 2, researchers entered the independent variable and the moderator to test for the main effects. In step 3, researchers entered the multiplicative term between the mean-centred independent variable and moderator variables to test for the two-way interaction effect. The results of the moderating tests are shown in Table 2-2.

**Table 2-2: Results of the hierarchical regression analyses for the moderating role of consumer online savviness**

	Model 1			Model 2		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step3
Age	-.03**	-.02**	-.02**	-.03**	-.03**	-.03**
Income	.30**	.27**	.26**	.30**	.26**	.26**
Community norms		.17**	.17**			
Rule familiarity					.30**	.30**
Consumer online savviness		.03	.02		.08	.07
Consumer online savviness x Community norms			.12*			
Consumer online savviness x Rule familiarity						.09
$R^2$	.14	.17	.19	.14	.20	.20
$\Delta R^2$		.03**	.02*		.06**	.00

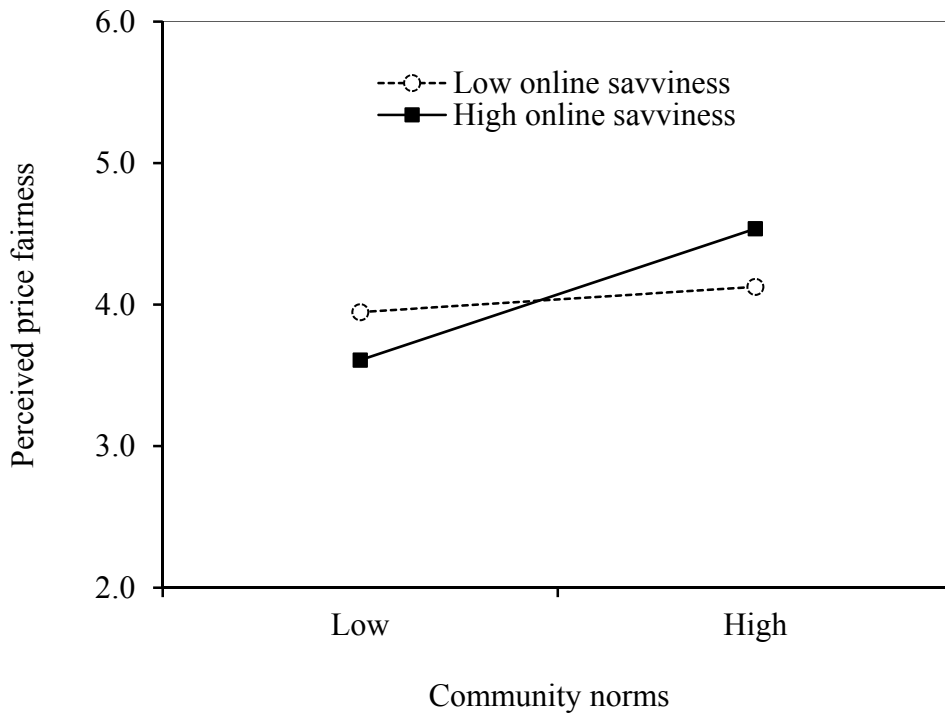
\*\* p < .01; \* p < .05



In hypothesis 4, the study proposed the moderating role of consumer online savviness on the relationship between community norms and perceived price fairness. As shown in step 3 of model 1 (Table 2), the interaction term between consumer online savviness and community norms explained additional variance in perceived price fairness ( $\Delta R^2 = .02$ ,  $\Delta F(1, 351) = 6.70$ ,  $p < .05$ ). To further inspect the interaction effect, researchers plotted the effects of community norms on perceived price fairness for high and low savvy consumers. Figure 2 shows that the association between community norms on perceived price fairness was positive and stronger for consumers with a high level of savviness ( $B = .08$ ,  $p < .01$ ) as opposed to that for those with a low level of savviness ( $B = .05$ ,  $ns$ ). Hypothesis 4, therefore, was supported.

However, it is found no support for hypothesis 5, in which the study proposed the moderating role of consumer online savviness on the relationship between rule familiarity and perceived price fairness. The results of step 3 (model 2, table 2) show that the interaction term between consumer online savviness and rule familiarity did not explain additional variance in perceived price fairness ( $\Delta R^2 = .00$ ,  $\Delta F(1, 351) = 1.72$ ,  $ns$ ). As such, hypothesis 5 was rejected.

**Figure 2-2: Interaction effect between consumer online savviness and community norms on perceived price fairness**



## 2.5 Discussion

The results show that engagement with online community influences consumers' price fairness perceptions indirectly via community norms and rule familiarity. That is, the direct effect of online community engagement on price fairness perceptions is fully mediated by both community norms and rule familiarity. As the study previously argued, the interactive activities carried out by an engaged consumer create opportunities to form relational bonds with other consumers and consumers who are members of the online community. This in turn enables them to adopt the group norms and the group's behavioural rules. Community norm adoption of the engaged consumers can be explained by the social identity theory which suggests that when individuals identifies with a group they are more likely to adopt group norms. Similarly, social information processing theory can be used to explain their enhanced

rule familiarity in that engaged consumers are more likely to process the information that is disseminated from other group members. Price information that was shared within the online community increases consumers' familiarity with how prices are set.

Both norm adoption and rule familiarity shape consumers price fairness perception. This suggests engaged consumers are more accepting of dynamic pricing practices if they are considered an industry norm or because these consumers became more familiar with demand-based pricing through sharing information with community members. However, the effect of online community engagement on price fairness perception via adoption of norms is stronger than that of the relationship via the rule familiarity path. In other words, online community engagement works better when consumers see dynamic pricing practice as an industry or market norm than when consumers become familiar with this practice.

In addition, the effect of the community norms on price fairness perception varies depending on whether the consumer has a high or low level of online savviness. More specifically, when consumers have a higher level of online sophistication and competency, their acceptance of the dynamic pricing practice is more positively influenced by norms, compared to when they have a lower level of online sophistication and competence. This is probably because technology savvy consumers have higher level of confidence in online community information than that of those less savvy consumers (Macdonald & Uncles, 2007).

The findings provide important managerial implications. It is important for service firms to set prices in line with industry norm or a current market practice. Indeed, pricing policies that break the social norm could have a negative impact on consumer fairness perception, trust and purchase intention (Garbarino & Maxwell, 2010). Overcoming the negative fairness

perception is crucial as it leads to a negative response toward the offers and less willingness to pay (Ajzen, Rosenthal, & Brown, 2000). Service firms need to develop strategies to minimise negative fairness perception by engaging consumers more in their brand community or other online communities of which their consumers are members. Specifically firms may encourage consumers to discuss pricing in online communities and educate their peers about industry norms, reference prices, rate fences, and rate frames (Choi & Mattila, 2004; Wirtz & Kimes, 2007).

Firms should cultivate and manage their online communities, providing opportunities for consumers and non-paying consumers to interact. Strategies should be enacted that build community identification through which community norms are more likely to be adopted. This may be done through brand community where resources are provided, for example, a flag of a club, a free web platform, or a promotional activity may help foster members' identification with the club. Firms can also provide opportunities for consumers and non-paying consumers to interact with the firm, the online community and the marketplace to increase their savviness, which will enhance price fairness perceptions when they adopt the norms developed within the online community.

Finally, the results indicate that age is negatively related to consumer perceived price fairness whereas income is positively related to perceived price fairness. The findings correspond to the argument in previous research that young consumers view dynamic pricing as a fairer practice in the hospitality industry than older consumers perceive (Heo & Lee, 2011). On the other hand, high income consumers tend to perceive dynamic pricing to be fair, compared to their counterparts with lower incomes (Heo & Lee, 2011). Hence, services providers should

understand the demographics of its consumers when developing its price discrimination strategies.

## **2.6 Limitations and Future Research Directions**

While the current study extends our understanding of consumer engagement in an online community, it is subject to some limitations. First, although the respondents were selected from a population who visited online communities to discuss their travel experiences, using the single context of Australian consumers in the hotel industry may entail country- and industry-specific constraints that limit the generalisability of the empirical findings. Similar research should be conducted in different service industries or cultural contexts before generalisation can be made. In addition, the study did not investigate the potential role of brand engagement in the current study. The extent to which the interplay between brand engagement and online community engagement contribute differently to the price fairness perception would be of interest to specific brands. It would be useful to extend the research framework by including brand-related constructs in future studies.

Further, other moderating variables may also be explored to further our understanding the influences of engagement in an online community. Previous studies found the community characteristics such as size, ownership, and credibility influence the members' discussions and contributions (Jang et al., 2008; Litvin et al., 2008). Thus, the effect of these community variables should be investigated to determine their effect on the relationship between online community engagement and perceived price fairness. At an individual consumer level, their frequency of visiting and posting on online community, community identification and their existing relationship with the brand may moderate the effects examined in this study.

There also exist some limitations in our measurement. To capture online community engagement, this study adapted the brand engagement scale from Hollebeek et al. (2014) which was designed for its applicability across a range of settings and brands. However, conceptual works concur the differences between these two constructs (Wirtz et al., 2013). In addition, although scenario-based survey worked well in this study, it may not be a perfect method to predict consumer behaviour accurately (Kimes & Wirtz, 2003). A field study in which respondents are required to recall of actual price offers could strengthen the internal validity of the research results. Further, this study treated consumer online savviness as a higher order construct consisting of six dimensions (i.e. technological sophistication, network competency, marketing literacy, self-efficacy, and consumer expectations). Since Macdonald and Uncles (2007) suggest that six characteristic of savviness could represent distinct segments of consumers, future studies can look at the individual influence of each specific dimension in determining its different impacts on consumer price fairness perception.

## **2.7 Conclusion**

As we enter a new phase of social media and online world communications, online communities promote the interaction, collaboration and sharing of product and service information among consumers. It is important to understand the nature and impact of these online communities' norms and information sharing, not only on consumers' attitudes towards the brand but also on their attitudes towards the fairness of the company's pricing strategy (Spiekermann, 2006). This paper seeks to explain the nature of these relationships, by utilising the theories of social information processing and social identity to explain the influence of online community norms and rule familiarity on consumers' perceptions of the fairness of the dynamic pricing strategy. The paper also recognises the role of community members' online savviness in adjudicating the fairness perception of dynamic pricing. A

further contribution of this paper is expanding the concept of perceived price fairness beyond an offline environment, to explain how it may be extensively influenced in an online environment.

This paper has provided a number of insightful implications for management and business strategy. It furthers the understanding of the importance of online communities in providing guidance for their members to understand and accept dynamic price setting. By understanding community norms and the key role of regular online community members in educating consumers about the rules of dynamic pricing, service providers are reminded of the importance of monitoring and providing information to these communities. Informed community members can minimise the negative impact of dynamic pricing by communicating norms that are accepting of varying pricing and explaining the rationale behind it. This will minimise negative price fairness perceptions and, in turn, trigger positive behaviour intentions toward the service offerings.

This under-researched area deserves further investigation and we encourage future research seeking to understand the influence of online community engagement on other aspects such as open innovation or product co-creation. Our research directions provide further valuable insights to management, given the importance of online communities on influencing consumer attitudes and behavioural intentions.

The influence of online community engagement on other aspects of the marketing strategy, through practices such as open innovation, the co-creation of products and/or content (Sawhney, Verona, & Prandelli, 2005), or even the co-creation of pricing strategies should be considered. The inclusion of group norms in the conceptual framework gives rise

to the consideration of social identities of community group members (Kozinets, 1999) and their influence on this space. Additionally, online community engagement takes place in a networked environment, so expanding the work of Van Doorn et al. (2010) and examining the antecedents and consequences to this conceptual framework in a comprehensive networked environment would be advantageous.

The nature of engagement is a state of activation that varies over time (Brodie et al., 2011), hence engagement should be examined within a longitudinal timeframe to understand its enduring impact. Longitudinal studies may also be considered to track how online communities develops norms and how their members familiarise themselves with rules. Consideration should also be given to comparing the influence of community engagement in both an online and offline setting.



# **CHAPTER 3 : CONSUMER ONLINE COLLECTIVE EMPOWERMENT: CONCEPTUALISATION, SCALE REFINEMENT AND VALIDATION**

## **3.1 Introduction**

*'As far as us not being "experts", I would disagree. On this forum are the most frequent flyers in the country, who have a wealth of knowledge about the industry and (Airline name). I'd say the combined knowledge here would be greater than that of (Airline name) senior management, judging by their performance in recent years. People here don't just want benefits (through their online activities), they also want to see the airline industry in Australia succeed, and I think we all have great ideas as to how that could happen. I think the airlines can learn a lot from us...'*

[Extract from Australian Frequent Flyers Forum, Date 4th January 2012]

Above is a comment from a member of the Australian Frequent Flyers Forum, an Australian-based online travel community. In addition to demonstrating a strong sense of empowerment among frequent flyers, it illustrates how experienced members within an online community have a perception that their collective knowledge and importance to the organisation should prompt the organisation to act. The sentiment of empowerment is fostered by consumer interactions with like-minded others to share their consumption experiences and engender a feeling of control when dealing with a brand or an organisation (Pires et al., 2006). Thanks to advances in information technology, consumers are now able to make multiple connections through online forums, forming brand communities and facilitating communal approaches to consumption (Cova & Pace, 2006). The emergence of online brand communities has

empowered consumers to be more proactive in collectively dealing with organisations, often to advocate change with their products and services (Harrison, Waite, & Hunter, 2006). By working with other like-minded individuals, consumers are able to empower themselves, thereby customising better solutions that deliver stronger benefits to them (Franke, Keinz, & Steger, 2009), instead of merely accepting the limited delegations provided by the firm (Fuchs, Prandelli, & Schreier, 2010). Collective empowerment, as a consequence of the increasing importance of consumer group activities in an online context, has prompted firms to join in the conversation (Laing, Keeling, & Newholm, 2011; Kucuk, 2012).

Recent literature on empowerment has been criticised as overly focused on the individual aspects of the construct, rather than collective empowerment of groups of people sharing common interests (Christens, 2013). In particular, the central focus in current marketing literature is organisational structural empowerment in which firms provide more authorisations for their consumers to play more active roles during the consumption process (Füller, Mühlbacher, Matzler, & Jawecki, 2009; O'Cass & Ngo, 2011; Pranić & Roehl, 2013). There has been little research that examine customer perception of collective empowerment when customers participate in consumer group activities, particular in online communities. Thus, academic research to date has failed to keep pace with industry practice in its understanding of collective empowerment and thus a concerted effort is required to investigate consumer collective empowerment in an online context. This paper seeks to provide guidance on the conceptualisation and operationalisation of a measure of consumer online collective empowerment (COCE). It aims to address the following two research questions:

*Research Question 1: What is the dimensional nature of consumer online collective empowerment in online communities?*

*Research Question 2: How can consumer online online collective empowerment be measured?*

The research conducted in this chapter contributes to the literature on consumer empowerment at two levels. First, this paper conceptualises the construct of consumer online collective empowerment (hereafter COCE) and demonstrates its dimensional structure to be comprised of cognitive, emotional, behavioural and relational empowerment. This consolidates previously fragmented research that identifies different aspects of empowerment but does not embrace them as a holistic construct as a reflection of the collective online group. Second, by undertaking a netnographic study and building on the existing conceptualisations of empowerment in the sociology, management, and political science literature domains, the paper operationalises and refines a measurement construct of COCE. Through two quantitative studies, the paper demonstrates the reliability and validity of the measurement items and tests the relationships between COCE and an individual's passion for the online community and community identification.

The remainder of the paper is structured as follows. It first reviews the previous work on psychological empowerment in different disciplines in order to frame our comprehensive understanding of COCE. Next, the paper reports the findings of a netnographic study to explore how the COCE construct operates within an online consumer community and categorises the measure as a higher-order construct consisting of four dimensions. Subsequently, the paper discusses the quantitative process through which existing scales were adapted and validated in series of two studies. The paper concludes with our discussions of the implications and recommendations to researchers and managers as well as presenting an agenda for future research.

## **3.2 Literature Review**

### **3.2.1 Collective Empowerment**

The concept of psychological empowerment has been extensively studied in different disciplines such as sociology (Peterson et al., 2006), political studies (Diemer, 2012), management (Ergeneli et al., 2007), information system (Zhao et al., 2008) and consumer research (Cova & Pace, 2006). A common definition of psychological empowerment is *'people gain confidence that they have the resources, energy, and competence to achieve important goals'* (Diener & Biswas-Diener, 2005). In contrast to studies on structural empowerment which refers to the delegation of decision-making to individuals (Mills & Ungson, 2003), research on psychological empowerment is less focused on the actual transmission of authority and more focused on the self-perception of an individual's influences over events and outcomes (Zimmerman & Rappaport, 1988).

Psychological empowerment has been studied at multiple and interconnected levels of the individual (Zimmerman, 1995), team (Kirkman, Rosen, Tesluk, & Gibson, 2004), organisation (Ro & Chen, 2011), collective (Drury & Reicher, 2009), and community (Chavis & Wandersman, 1990). There is no consensus among scholars on whether psychological empowerment is a process or an outcome. When empowerment is considered a process, scholars have reflected on the actions of individuals to gain control and mastery over certain issues (Cattaneo & Chapman, 2010). When studied as an outcome, scholars have considered an empowered individual to be more confident about his/her ability to exercise influence and control over relevant matters in a specific social context (Zimmerman, 1995). Scholars often consider empowerment as an outcome when they examine its relationships to other relevant

constructs to develop empowerment related theory (Zimmerman, 1995; Peterson, 2014). Accordingly, in this study, psychological empowerment is examined as an outcome when individuals or groups perceive control over the events in their environment (Rappaport, 1987).

The majority of psychological empowerment studies have examined the construct at an individual level since it focuses on self-mastery and perceived control. However, considered more than an individual-level construct (Zimmerman, 1990), psychological empowerment was theorised as *'a psychologically oriented variable that has reciprocal relationships with processes and outcomes at other levels of analysis'* (Christens, 2012, p.115). As such, psychologically empowered individuals not only gain control over their own affairs, but they also develop their understanding of the surrounding environment in order to make proactive contributions to their own communities (Christens 2012). Collective settings, such as mutual help groups, civic engagement organisations, and social movement organisations, empower members to increase their competences in handling personal issues (Maton, 2008; Wiggins, 2012). In return, members may extend their competences to reciprocate the group support and to bring change, through the mechanism of member coalitions, for the locality in which they interact (Speer, Peterson, Armstead, & Allen, 2013).

At the heart of empowerment is the transformation of 'power' (Riger, 1993; Barak, Boniel-Nissim, & Suler, 2008; Speer, 2008). Riger (1993) argued that empowerment could be classified as 'power to' (the delegation and controlled enablement from one group to the others), 'power over' (the influence in the way contrary to the group or individual interests), and 'power from' (the group ability to resist the demands from others). Since power can be transformed among the involved groups in their particular environment, those who gain

power feel empowered and those who lose power feel disempowered (Riger, 1993). Accordingly, a number of studies in the political and social science literature incorporate psychological empowerment with in social groups where gaining or losing power activities take place (Olson, 1965; Riger, 1993; Zimmerman, 1995; Speer & Peterson, 2000; Drury & Reicher, 2005). In these studies, scholars typically use ‘*community empowerment*’ and ‘*collective empowerment*’ interchangeably to explain people’s involvement and participation in the important issues of their social lives (Scammell, 2000; Zimmerman, 2000; Peterson, Hamme, & Speer, 2002). These social movements and local community engagement creates the sense of collective empowerment among the participants (Drury & Reicher, 1999; Van Zomeren & Iyer, 2009; Wright, 2009).

Compared to extensive research in other disciplines, less academic attention has been given to collective empowerment in the marketing literature. Although a number of consumer studies have used the term ‘consumer empowerment’ (Ouschan et al., 2006; Fuchs & Schreier, 2011; O’Cass & Ngo, 2011; Pranić & Roehl, 2013), the emphasis has traditionally focused on understanding organisational structural empowerment (Fuchs & Schreier, 2011) and its impact on consumer psychological empowerment at the individual level (Ouschan et al., 2006). The reason for the dearth of COCE studies might be that it is harder for traditional consumer groups in the offline world with major geographical barriers to gather and facilitate their collective power (Kucuk, 2009).

In the current study, social identity theory (Tajfel & Turner, 1985) provides a robust foundation to explain how members perceive collective empowerment in the online community context. The theory states that people tend to classify themselves into specific social or group categories including organisational membership, religious affiliation, age

group as well as community memberships (Tajfel & Turner, 1985). This classification enables people to join the group activities with like-minded people (Algesheimer et al., 2005; Drury & Reicher, 2009). Since the majority of online community members are the users of products, services or the brands, they tend to focus on the collective activities against the targeted brands in order to strengthen their collective identification and showing their collective power. For example, consumers of Amazon, eToys, and Tide.com collectively joined forces through online communities to pressure these brands to change policies that they perceive were unethical (Kucuk, 2009). Similarly, brand devotees of the Liverpool football club online community protested against the corporate owners who they perceived were breaking the traditions of the club (Pongsakornrunsilp & Schroeder, 2011). In another example, SPAR Austrian consumers voiced their dissatisfaction with the co-creation process for the new product development when the quality of selected designs did not meet consumer expectations (Gebauer, Füller, & Pezzeri, 2012). In these cases, the brands, in response, had to acknowledge the requests from community members and change their policies.

The aforementioned examples demonstrate that consumers connect with each other in a powerful and flexible manner through online communities (Hennig-Thurau, Malthouse, Friege, Gensler, Lobschat, Rangaswamy, & Skiera, 2010). Like-minded consumers share information to increase their brand knowledge (Cattaneo & Chapman, 2010), create and develop new ideas for brand improvement (Bell & Loane, 2010), and proactively respond to what brands and organisations are doing (Dijkmans et al., 2015). Several scholars have used the term 'Internet-empowered consumers' (Kucuk, 2010), or 'E-empowerment' (Amichai-Hamburger et al., 2008) to capture how the interactive environment of online communities is utilized as a consumer empowering tool. A few conceptual and qualitative studies have explored how consumers work together to constitute strong opinions toward and gain more

control over the brand/organisation (Kucuk, 2009; Siano et al., 2011; Gebauer et al., 2012; Kerr et al., 2012). These consumer activities include promoting or demoting products/services to fellow consumers (Shaw et al., 2006; Kerr et al., 2012), complaining and protesting (Krishnamurthy & Kucuk, 2009), creating social pressure on the brand/organisational performance (Lee, Motion, & Conroy, 2009), and requesting the brand/organisation to join the online conversation (Hollenbeck & Zinkhan, 2006). Thus, the interactive nature of online community activities enables like-minded people to find support from others, to formulate the collective goals and to strategically organise their collective activities (Seraj, 2012; Petrič & Petrovčič, 2014). When the collective of consumers achieves their group goals, they perceived that they have the voice in the social system leading to the feeling of collective empowerment.

In the current study, we adopted Drury and Reicher (2009, p.709) definition of collective empowerment to define the term COCE as *'a social-psychological state of confidence in the consumer group's ability to strengthen its identity over the firm, to address the injustices of the firm's policies, and to (re)shape the existing variables handled by the firm into the consumer group's favour'*. We argue that COCE is distinct from the well-defined individual (psychological) empowerment. Although both constructs capture the 'power over' the firm or gain the 'power from' the brand or the firm, COCE only emerges through group activities when a group of consumers utilise their collective resources to achieve group goals and thus, enjoy the 'power with' other like-minded consumers. Further, while an individual empowered consumer enhances his/her ability for the best of personal interests, collective empowered consumers feel that they are doing not only for themselves, but also for the benefit of the group.



### **3.1.1 Key Dimensions of COCE**

Psychological empowerment is generally viewed as a multi-dimensional construct (see Table 3-1) which has been operationalised through three interrelated components, namely emotional (intrapersonal), cognitive (interactional), and behavioural (Zimmerman, 1995; Speer & Peterson, 2000). Emotional empowerment refers to the individual competences to exert their influence in the socio-political domain (Speer & Peterson, 2000). It covers perceived control, self-efficacy, motivational control and perceived competence in the specific context. Cognitive empowerment refers to the critical understandings of the social resource needs and the context for the exercise of socio-political influence (Zimmerman, 1995; Speer & Peterson, 2000). It includes critical awareness, causal agents, skill development, skill transfer across different contexts, and resource mobilisation. Finally, behavioural empowerment refers to individual direct actions to facilitate empowerment among the group (Zimmerman, 1995).

Most psychological empowerment studies have focused on the emotional aspect using the socio-political control scale developed by Zimmerman and Zahniser (1991) to examine the feeling of control in individual situations (Itzhaky & York, 2000; Peterson et al., 2006; Hunter, Jason, & Keys, 2013). Notably, few studies have empirically examined the cognitive dimension, its nature, and the instruments of power such as knowledge, skills, resource mobilisation at either an individual or collective level to control situations (Spreitzer, 1995; Menon, 1999; Speer, Jackson, & Peterson, 2001; Petrič & Petrovčič, 2014). Some scholars measured the behavioural component by using scales designed to assess the individual participation activities such as seeking information and learning about the living environment (Ouschan et al., 2006) to improve his/her living condition, and take more responsibility for

his/her own life. Further, although many scholars agree with Zimmerman's (1995) conceptualisation of empowerment, they have criticised it as overly focusing on individualistic aspects of self-mastery, individual control and independence rather than cooperation, connection and community (Speer & Peterson, 2000).

**Table 3-1: Collective Empowerment Studies**

Citation	Concepts	Research Approach	Discipline	Research Context	Dimensionality			
					Cog.	Emo.	Beh.	Rel.
<b>Current research</b>	Consumer Online Collective Empowerment	Empirical: Qualitative & Quantitative	Marketing	Online consumer community	✓	✓	✓	✓
Amichai-Hamburger et al. (2008)	E-empowerment	Conceptual	Information Systems	Online community				✓
Christens (2012)	Relational Empowerment	Conceptual	Psychology		✓	✓	✓	✓
Cova and Pace (2006)	Consumer empowerment	Empirical: Qualitative	Marketing	Online brand community	✓*	✓*		
Drury and Reicher (2009)	Collective Psychological Empowerment	Empirical: Qualitative	Sociology	Social Movement		✓*	✓*	
Fuller et al. (2009)	Perceived empowerment	Empirical: Qualitative	Marketing	Online communities	✓			
Kirkman et al. (2004)	Team Empowerment	Empirical: Quantitative	Management	Workplace	✓	✓		
Kucuk (2009)	Consumer power	Conceptual	Marketing	Online communities	✓	✓	✓	
Li and Gregor (2011)	Consumer Empowering Process/Enabler	Empirical: Quantitative	Information Systems	Online advisory service	✓*			
Petrič and Petrovčič (2014)	Collective empowerment	Empirical: Quantitative	Information Systems	Online communities	✓			
Seibert, Silver, and Randolph (2004)	Team Empowerment Climate	Empirical: Quantitative	Management	Workplace				
Shaw et al. (2006)	Consumer empowerment	Empirical: Qualitative	Marketing	Online consumer community			✓*	
Siano et al. (2011)	Online consumer empowerment	Conceptual	Marketing	Online communities	✓*		✓*	
Speer and Peterson (2000)	Empowerment	Empirical: Quantitative	Sociology	Offline local community	✓	✓	✓	
Zimmerman and Zahniser (1991)	Psychological Empowerment	Empirical: Quantitative	Psychology		✓			

Note: \*: Inferred by the authors of this current paper

Most recently, Chirstens (2012) conceptual work argued that three existing empowerment components are not sufficient to explain the complexity of psychological empowerment. Based on social capital theory, the author proposed the additional relational component to explain the extent that psychological empowerment is developed, exercised and transformed

in and through relationships. Via collaboration in interpersonal relationships, the facilitation of empowerment with others may enhance the group influences in the environment. This conceptualisation highlights the importance of interpersonal interaction and collaboration of the community, giving the rise to psychological empowerment among participants. However, this relational component to date has not been fully developed and empirically tested. Further, to the best of the author knowledge, there is no study that provides a comprehensive measures and testing of all four components, specifically for an online community context.

### **3.2 Overview of Methodology**

To develop measures for four COCE dimensions, this paper follows Churchill (1979) structured scale development procedure that includes both an exploratory qualitative study and structured empirical quantitative studies. First, the research starts with a qualitative approach to identify the dimensional structure of COCE. Since the study focuses on customer empowerment in online communities, we select a sample of an online community and undertake a netnography (Kozinets, 2002) to explore the nature of online COCE and determine whether the four-dimensional structure fully capture this phenomenon. The qualitative data with illustrative quotes provides four themes linked to collective empowerment. Each theme is labeled, defined, supported by theoretical explanations from prior research, and grouped into the dimensional structure of COCE. Second, using the results of the netnographic study, the paper generated the initial items for the empirical scale development process which involves a preliminary study to generate and validate items, followed by two subsequent quantitative studies to purify the dimensionality, test, and refine the measures. Table 3-2 summarises our scale development process.

In the following sections, the details on each study in our process are discussed. The

discussions start with study 2 which applies a netnographic approach to explore the phenomenon of COCE in an online community. Next, the procedure for items generations and preliminary screening are described. Following this, study 3 is outlined for initial validity ( $n=320$ ) which examines and validates the dimensional structure and reduces the set of items for each construct based on the examinations of corrected item-to-total correlations, construct reliability, discriminant validity, and convergent validity. Study four ( $n = 316$ ) is conducted to confirm the identified measurement model using CFA testing by AMOS. Finally, the nonlomological validation of the measurement are tested with two theoretically based antecedent and outcome variables.

**Table 3-2: Scales development process (adapted from Churchill (1979) & Brocato, Voorhees, and Baker (2012))**

<i>Steps in the process</i>	<i>Study details</i>
<i>1. Construct Definition and Dimensional Structure Design</i>	Literature Review Study 2: Qualitative Netnographic study Context: Online frequent flyer community, Australia
<i>2. Item Generation</i> Literature Review Netnographic study	Preliminary 28 items from existing scales in the literature 11 items from the findings of netnographic study
<i>3. Item Judging &amp; Purification</i> Experts' Evaluation for content validity	Preliminary Validation study with 20 PhD students Review by 3 experts Re-validation study with 116 students
<i>5. Initial Validation</i> Confirmatory Factor Analysis Overall and Comparative Fit Dimensionality Factor Loadings Reliability Validity Convergent Validity Discriminant Validity Nomological Validity 1	Study 3 $n = 320$ Context = Online travel community members recruited by Qualtric Screening: - US residences - 12 months Membership of online community - Frequent visit, and comment (at least once per month) -
<i>6. Final Validation</i>	Study 4

Confirmatory Factor Analysis	<i>n</i> = 316
Structural Equation Modeling	Context = Online travel community
Overall and Comparative Fit	Screening:
Dimensionality	Factor
Loadings	- US residences
Reliability	- 12 months Membership of online community
Validity	- Frequent visit, and comment (at least once per month)
Convergent Validity	
Discriminant Validity	
Nomological Validity	2

### 3.3 Study 2 – Netnographic study: Dimensional structure validity

In order to examine the nature and dimensional structure of COCE in online communities, we conducted a netnographic study utilising an air traveller community in Australia. Netnography is a qualitative, interpretive research methodology that enhances ethnographic research techniques to study online communities (Kozinets, 2006). It enables researchers to access unfiltered and unbiased information from community discussion threads and posts and, thus, to contribute to a richer and deeper understanding of the process of interpersonal influence within online communities (Kozinets, 2010). Following the approach from Kozinets (2010), this paper selected the Australian Frequent Flyer (AFF) Community ([www.australianfrequentflyer.com.au](http://www.australianfrequentflyer.com.au)) as the targeted community for this netnographic study. This online travel community has a large number of registered members (more than 38,000 members) and high traffic of more than 43,800 threads with total posts exceeding 770,000 in which consumers share, argue, suggest and collectively push pressure the brand for service improvements. These collective activities provide the conditions for the emergence of collective actions as well as contain sufficient descriptive richness for our data collection and analysis (Kozinets, 2002).

In particular, we chose the topics on priority boarding of Qantas Airways, the largest Australian domestic and international airline, as it received a high number of interactive discussions as well as the frequency of members' daily visits. This study focuses on a salient topic which commenced in May 2011 when a Qantas frequent flyer raised their concern about the inconsistency in priority boarding, a new approach implemented by the airline through some major domestic airports. The first post attracted significant attention from a lot of frequent flyers. Some even tried to contact *Red Roo*, the authorised Qantas representative in the forum, for further clarification and updated information regarding this matter. Unexpectedly, the initial lack of communication from the Qantas representative led to multiple negative comments and messages showing frustration among AFF members. The more the topics developed through a number of discussion threads and comments, the more salient the evidence that Qantas failed to keep its brand promise delivery and appeared unwilling to do anything about this published benefit. These members then escalated this into a community 'hot' topic, thereby multiplying members' interactions and motivating them to engage in collective action. Members shared their personal experiences and actively supported each other to familiarise themselves with the topic, and updated the forum with relevant information in order to gain their collective power in their communication with the organisation (through the company representative *Red Roo*). After pressure from the proactive group activities during a six-month period, Qantas responded to consumer requests and launched their domestic priority boarding at major airports in Australia. Further, some senior Qantas executives were made aware of the thread in the forum and decided to meet and discuss with an AFF representative in an attempt to 'cool down the heat', showing that Qantas would like to treat its online consumer group in AFF as a valued and equal partner.

Using non-participatory approach, the researchers collected 5,000 comments within a three-

year period (2011 – 2013) from 12 eligible threads for further analysis. Collected data for study 2 consisted of 3,500 comments written by 277 AFF members. Using a qualitative analysis tool Nvivo 9, all data was amassed, coded, compared, and collapsed to form collective empowerment categories (Kozinets, 2002). Following Neuman (2011), the coding process involved three phases: open coding, axial coding and selective coding. In phase one of open coding, all quotes were reviewed to identify patterns of the collective empowerment. Next, the researcher, in phase two of axial coding, interrelated, constructed, and categorised these open codes into a code hierarchy that explain the creation of collective empowerment (Neuman, 2011). In the final phase, the researcher specified the relationships among the developed paradigmatic constructs, and delineated a core category around the cognitive, emotional, relational and behavioural facets of COCE (Gioia, Corley, & Hamilton, 2013). To minimise bias from the coding process, the identified categories and relevant quotes were reviewed by independent members who are familiar with discussed topic (Neuman, 2011). Two experts who are the researcher's colleagues in the university were asked to read the transcripts of our coding process. Overall, the reviewers agreed with the identification of the themes and the allocated quotes (DeVellis, 2011).

### **3.3.1 Findings**

Following the initial transcripts of eligible AFF threads and discussions, the results confirm that COCE in the online community operates with four dimensions as shown in Figure 3-1.

First, emotional empowerment is evident through a series of activities when the members reflect their feeling toward the community competence, ability to influence and take effect changes of the targeted brand. Perceived competence emerges from the collective knowledge and experiences of the member contributions that ensure capabilities to deal with the targeted

brand: *'You would be surprised at the level of knowledge that AFF members have compared to flight attendants in regards to Qantas rate tier and benefits'*. Further, AFF members enhance their ability to control the situation when being proactive in the communication with the brand to voice their concerns, because *"if you are weak or vacillating then you won't get what you want", and 'Surely there is enough clout from members on here to make a difference'*. Several members show their attempts to control the discussed topic by reminding Qantas to take the priority boarding issue seriously: *We have been told, that there will be a trial and Qantas are looking at it... nothing else. This angers a lot of us because it was a listed benefit and every other major airlines in the world provide it. ...I think Qantas should provide a statement to this forum via Red Roo, on how long the trial will last and when it will be implemented or at least when the results of the trial will be known.* . This strongly supports Peterson et al. (2006) and Speer and Peterson (2000) who highlighted the strong group capacities can influence policy decisions, organize the effective collective action, and strengthen the group control toward the problems.

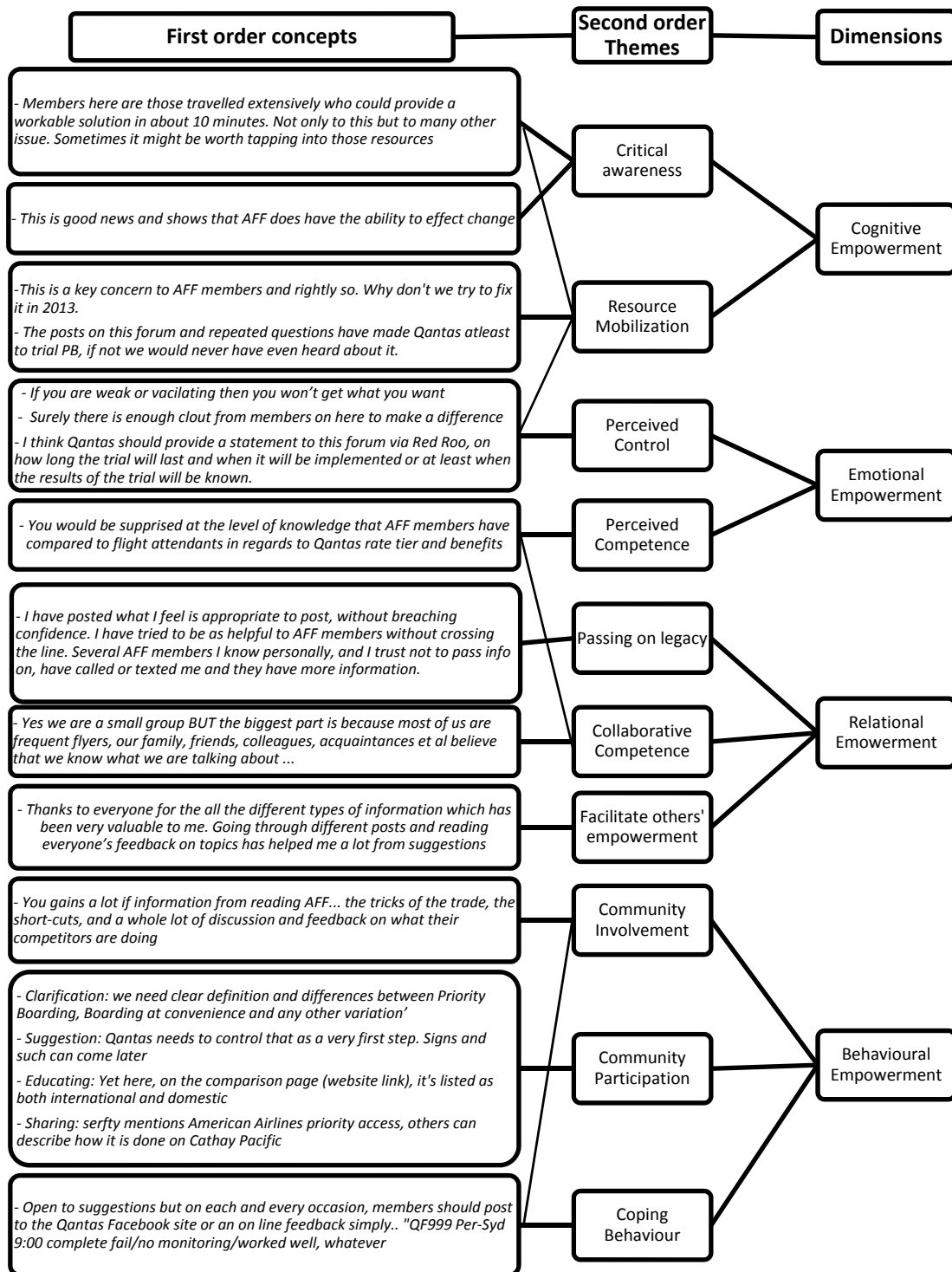
Second, the results described cognitive empowerment as the critical awareness of community resource needs, appropriate behavioural choice to contribute in the community discussions and improve the community resource mobilisation, in order to foster the community influence and achieve the community goal. It was evident when members were aware of their collective experiences and knowledge from frequent travellers, thereby enabling AFF to foster their empowerment against the brand. For instance, an AFF member commented: *'To be honest Red Roo, there are probably a half dozen members on this site who have travelled extensively who could provide a workable solution in about 10 minutes. Not only to this but to many other issues. Sometimes it might be worth tapping into those resources'*. Such findings are consistent with our interpretation of the literature, in which we highlighted the



importance of critical understanding of the community environment where power and knowledge is generated (Speer et al., 2001). Moreover, some members know that by mobilising resources together, the group can generate greater collective empowerment regarding the targeted issues (Zimmerman, 1995; Peterson & Zimmerman, 2004). It illustrates in the following comment: *'This is a key concern to AFF members and rightly so. Why don't we try to fix it in 2013. Surely there is enough clout from members on here to make a difference'*

Third, behavioural empowerment refers to the members' participation, involvement in community discussions to exert their influence and control over the priority boarding issue (Boley & McGehee, 2014). While the cognitive and emotional empowerment provided the groundwork for group confidences and a key factor to increase the group empowerment depends on the active participation of members. A number of examples consistently demonstrate that AFF members shared relevant information about the practices of competing airlines (e.g., *'serfty [nickname of a senior member] mentions American Airlines priority access, others can describe how it is done on Cathay Pacific'*) or educating other members about the term and condition from Qantas website (e.g., *'Yet here, on the comparison page (website link), it's listed as both international and domestic...I'll refer you to clause 3.2a of the Qantas Frequent Flyer T&C. Implemented or not, it is a published benefit'*). Many members also shared flight details as well as a large number of videos and pictures taken at different airports showing strong evidences of Qantas' inconsistent performance: *'There are countless examples on this thread where gate staff have said that priority boarding doesn't exist for domestic flights, which is direct contrast to the Qantas website'*.

Figures 3-1: Netnographic coding process (adapted from Gioia et al. (2013))



Further, many members asked for coping behaviours for all members to contribute to the discussion effectively in which they should provide the exact information about the failures of priority boarding: *'Open to suggestions but on each and every occasion, members should post to the Qantas Facebook site or an on line feedback simply: "QF999 Per-Syd 9:00 complete fail/no monitoring/worked well, whatever'*. Moreover, several members highlights that Qantas should keep their interactions with AFF since they can benefit from their customer involvement with AFF discussions: *You gains a lot if information from reading AFF... the tricks of the trade, the short-cuts, and a whole lot of discussion and feedback on what their competitors are doing*. These findings support Foster-Fishman, Pierce, and Van Egeren (2009) that highlight the importance of member behaviours in generating collective empowerment.

In particular, the results confirm that COCE is developed and fostered through the interpersonal relationships in the community. It is not always possible for individuals to feel empowered in the group setting since there are stark inequalities between them (Christens, 2012). Thus, some key members tend to play a significant role in creating and gathering group knowledge. In AFF, the senior members organised the topics that not only provided relevant information and related experiences but were also open for educating and empowering others unfamiliar with the discussed topics. It is illustrated by a comment from new members about the information he/she received when joining the discussions: *'Thanks to everyone for the all the different types of information which has been very valuable to me. Going through different posts and reading everyone's feedback on topics has helped me a lot from suggestions'*.

More importantly, these senior members were willing to share legacy for AFF members in order to grow the relationships with other members who can succeed them (Christens, 2012). These activities ensure that the discussions would develop beyond their recent contributions: *'I have posted what I feel is appropriate to post, without breaching confidence. I have tried to be as helpful to AFF members without crossing the line. Several AFF members I know personally, and I trust not to pass info on, have called or texted me and they have more information'*. Accordingly, the thread continues to provide updated and relevant information of the focal matter, which is difficult to achieve if one acts individually for a period of time. It creates the collective knowledge that is beneficial to all individual members and, in turn, strengthens the community solidarity. In addition, some key members, who are Qantas Platinum or Gold frequent flyers, enhance their relational influences on others. Since they have accumulated significant experience in air travelling and have regular interactions in AFF, their collaborative word-of-mouth communications (e.g., advices, in-depth analysis and sharing of experiences) can strongly impact others' purchase decisions: *'Yes we are a small group BUT the biggest part is because most of us are frequent flyers, our family, friends, colleagues, acquaintances et al believe that we know what we are talking about ..... so if we tell them that QF sucks big time or what not, they often dial in and listen to us'*. These comments echo Christens' (2012) conceptualisation of relational empowerment in that relational dynamics is essential to exercise the transformational power effectively.

### **3.4 Item Generation, Assessment and Dimensional Validity**

Based on the literature review and the netnographic findings, the paper conceptualises COCE as a multi-dimensional construct including cognitive, emotional, relational and behavioural components

### **3.4.1 Study 3: Item Generation and Content Validity**

In constructing each of the four dimensions, the researcher generated the pool of items from two sources. Following Churchill (1979) recommendations for scale development, we performed an extensive literature review on empowerment to identify the existing items to guide the item generation process in the current study. The selection of items from existing scales ensured the construct validity and reliability since they were empirically verified in previous studies (Hair, Black, Babin, Anderson, & Tatham, 2006). Accordingly, we yielded an initial pool of 28 items. To compliment this, the netnographic data analysis identified an additional 11 items which were not covered in the literature. From both sources, 11 cognitive items, 9 emotional items, 11 relational items, and 9 behavioural items were generated. The combined scale comprised of 40 items. All items were reworded to capture the online community context in which they were to be questionaired and measured on a seven-point Likert scale.

To ensure these items are allocated to the right categories, the researcher discussed the list of items with 21 graduate students and staffs selected from an university in Australia. The researcher briefed the respondents about COCE in online communities. They were then given a questionnaire with all items with the index boxes of four different groups that mirrored four COCE dimensions. The respondents were asked to place the items into the categories that they thought would accurately measure the construct. Upon the completion of labelling, discussions were had with the respondents to further refine the list of generated items, rewording some items that could confuse respondents, identifying and removing any items that did not accurately measure the constructs or seemed as over-duplicated and/or redundant.

As a result, nine items were removed, 10 items were reworded and 5 were re-categorised. The updated list of 30 items was subjected to further review by three academics with expertise in online community research to make sure that the final pool of items was easy to understand in the mind of the potential respondents as well as whether they reflected the definition of constructs (Woosnam & Norman, 2010). Following the recommendations made by the academics, an updated version was made with a number of modifications yielding a final scale of 24 items (see appendix 3 for the list of all items)

### **3.4.2 Initial Validation**

To verify the dimensional structure of COCE, an online survey using Qualtric consumer panel was conducted. Qualtrics is a well-known US-based research company that provides research studies using their large consumer database. To identify the eligible respondents for all studies in this dissertation, some screening questions were used to ensure respondents have (i) a minimum of 6 months online community membership and (ii) frequently visit and post comments in that community.

A total of 320 completed and qualified responses were included in the data set. All respondents were from US, consisting of 53% male, at an average age of 37, and 90% of whom held a bachelor degree. On average, more than 50% of the respondents indicated an annual income more than \$50,000 (USD). Regarding their online community activities, 72% of the respondents were members of an online community for more than 12 months. 68% of respondents had visited the community at least once per month, and more than half of them posted or commented on the community forum on a monthly basis.

Using SPSS 20 software to analyse the data, the study found the scale reliability and internal consistency of the 24-item scale to be acceptable with Cronbach alpha for each diversion, greater than .90, exceeding the recommended threshold of .70 for exploratory research. Next, the researcher conducted a series of confirmatory factor analyses (CFA) using AMOS 20 to assess the dimensionality of the proposed construct and the model fit. The researcher produced a series of measurement models of the individual constructs to validate the factor loadings through three key steps. First, the researcher removed unsatisfactory items with factor loadings scores (lambdas) below .70 which indicate its poor fit with the latent construct (Byrne, 2010). Second, the researcher removed large standardized residuals (above 2.58) due to their negative impact on the uni-dimensionality of each dimension (Byrne, 2010). Third, the researcher took out items that had significant cross loadings, which were detected through the test of Lagrange Multiplier indices. In each step, we re-estimated and re-assessed until the best fit of each construct was achieved. Accordingly, the final screening removed 11 items, leaving the 13-item final model (4 items for behavioural empowerment, and 3 items for each construct of emotional, cognitive and relational empowerment). All factor loadings were greater than 0.70, confirming that the latent constructs were measured by observed variables. The researcher next evaluated the fit of the four-dimension model using the sample variance covariance matrix as input and a maximum likelihood solution (Chen & Raab, 2014). The initial high-order CFA produced acceptable fit ( $\chi^2/df = 2.65$ ; CFI=0.98; GFI=0.93; TLI = .97; RMSEA = 0.07).

Next, based on the recommendations from Fornell and Larcker (1981), the researcher assessed convergent validity, discriminant validity, and reliability of each dimension of COCE. Construct Reliability (CR) was calculated from the sum of factor loadings ( $\lambda_j$ ) squared for each construct and the sum of the error variance terms for a construct ( $\delta_j$ ). The

CR estimated value must higher than .70 in order to confirm the good reliability (Fornell & Larcker, 1981). The study found the evidences of the high reliability coefficients scores for the four dimensions ranging from .87 to .93. Convergent validity was identified by factor loadings and average variance extracted (AVE) in the model. AVE of for each construct must be greater than .50 to confirm the acceptable convergent validity. We find acceptable AVE values for Behavioural Empowerment (0.83), Emotional Empowerment (0.78), Relational Empowerment (0.76), and Cognitive Empowerment (0.78).

Third, the researcher assessed the discriminant validity among variables to check whether they both represent the same underlying construct (Byrne, 2010). The AVE for each dimension was higher than the squared correlation between the measured dimension and all other dimensions in the final four-dimension model, the correlation between these dimensions are very close that indicate the poor discriminant validity (Byrne, 2010). Further, it is suggested that a correlation between two variables should be lower than .85 in order to confirm its discriminant validity (Byrne, 2010). The researcher found that the pair of cognitive empowerment and relational empowerment were highly correlated and exceeded their own AVE. When the researcher conducted closer examinations of the modification indices, and factor loadings of all items, test and re-test the models, it is found that a deletion of one item in the cognitive component and one item in the behavioural component resulted in a good model fit with no high-correlation among constructs. A final four-dimension model of 11 items reflects a better fit since relevant values were all exceed acceptance levels ( $\chi^2/df = 1.95$ ; CFI = 0.99; GFI=0.96; TLI = .96; RMSEA = 0.06). Further, all AVE values are higher than the p-squared for each pair and, thus, indicate adequate convergent validity and the discriminant validity.

In order to verify the best dimensional structure, the current model with four factors was



compared with the three-factor model (in which cognitive and relational factors are combined due to their highest correlation), and the two-factor model (in which we further combined behavioural factor and emotional factor). Although all models achieved the expected figures for good model fits, neither the two nor three-factor model demonstrated a better fit with the data compared to the four-factor model (see table 3). Further, the uni-dimensional model showed a significantly worse fit than any other multi-dimensional model.

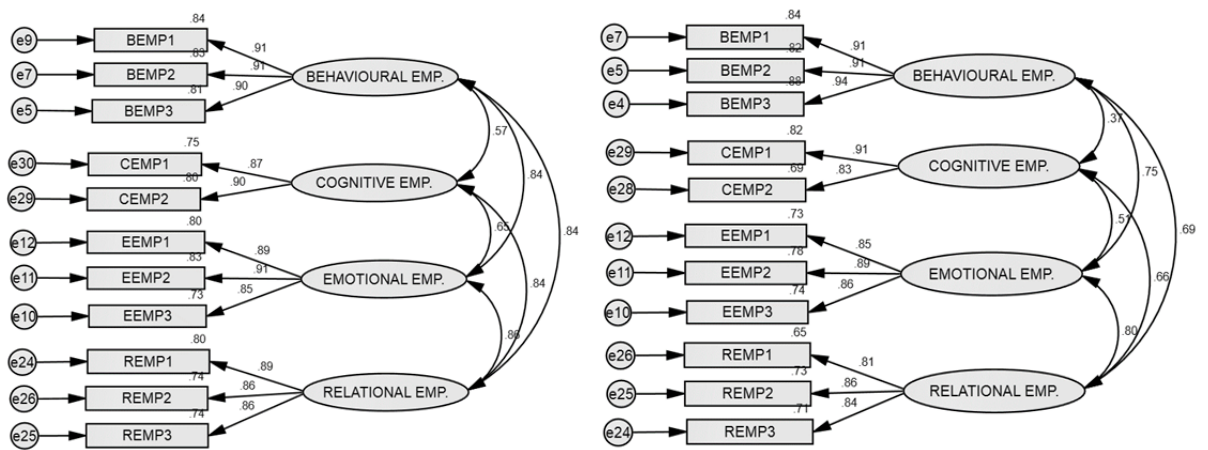
**Table 3-3: Model Comparisons for Dimensionality**

	<i>X<sup>2</sup></i>	<i>Df</i>	<i>pV</i>	<i>CFI</i>	<i>GFI</i>	<i>TLI</i>	<i>RMSEA</i>
Two-factor model	2.616	37	.000	.982	.947	.973	.071
Three-factor model	2.277	40	.000	.985	.950	.979	.063
Four-factor model	1.873	39	.000	.990	.959	.986	.052

### **3.5 Study 4: Measurement refinement and confirmation**

To validate the 11-item scale identified in the previous study, we conducted collected data from an additional sample of respondents recruited by Qualtric. The sample comprised of 316 air travelers with the following demographic profile: 59% male, 52% less than 36 years old, 90% with a bachelor degree, and 76% earning annual income more than US\$50,000.

**Figure 3-2: CFA models and results for COCE scale (Study 3 and Study 4)**



		<i>CMIN/df</i>	<i>CFI</i>	<i>GFI</i>	<i>TLI</i>	<i>RMSEA</i>
Standard criteria		< 3	> .90	>.90	>.90	< .08
Study (n=320)	3	1.81	.99	.96	.99	0.05
Study (n=316)	4	2.55	.98	.94	.97	.007

Using the same protocol as the previous study, the researcher ran a CFA model using AMOS 20 to verify the dimensionality of the COCE construct and assess its validity and reliability. This replication process provided consistent results with what we found in the previous study. The final CFA figures yielded a reasonably good incremental model fit (*cmin/df* = 2.57; *CFI* = .98; *GFI* = .94; *RMSEA* = .07). Moreover, the assessment of construct reliability, convergent validity and discriminant validity show satisfactory results.

**Table 3-4: Calculation for scale items, Convergent Validity and Discriminant Validity (Study 3 and Study 4)**

Scale		Study 3						Study 4					
		Mean	SD	SRW	CR	AVE	HSC	Mean	SD	SRW	CR	AVE	HSC
<b><u>Behavioural Empowerment</u></b>					0.93	0.83	0.74				0.94	0.78	0.57
BEMP1	I worked with other members in this online community to improve the brands frequently discussed in the forum	4.24	1.89	0.90				4.72	1.90	0.94			
BEMP2	I have used this online community to raise concerns about some brands and advocate for changes	4.37	1.88	0.91				4.67	1.95	0.91			
BEMP3	Together with other members of this online community, I have acted on some issues related to the travel service providers.	4.36	1.92	0.90				4.71	1.90	0.92			
<b><u>Cognitive Empowerment</u></b>					0.92	0.78	0.71				0.86	0.76	0.61
CEMP1	The discussions in this online community make me realize that we have a lot of knowledge collectively	5.29	1.37	0.87				5.71	1.17	0.83			
CEMP2	The discussions in this online community make me realize that we have a lot of experience collectively	5.24	1.46	0.89				5.75	1.13	0.91			
<b><u>Emotional Empowerment</u></b>					0.90	0.78	0.74				0.90	0.76	0.62
EEMP1	I can influence the way contributions are made in this online community	4.63	1.77	0.89				5.22	1.42	0.86			
EEMP2	I can influence the decisions taken in this online community	4.66	1.77	0.91				5.18	1.44	0.89			
EEMP3	I have the authority to make decisions in this online / community	4.21	1.97	0.85				4.65	1.99	0.86			
<b><u>Relational Empowerment</u></b>					0.93	0.76	0.74				0.89	0.70	0.62
REMP1	The interactions with other members provides ways for me to get involved with this online community	4.74	1.60	0.89				5.42	1.33	0.81			
REMP2	Power lies in the relationships between members in the online community	4.78	1.67	0.86				5.17	1.43	0.85			
REMP3	A person becomes powerful through other members in the online community	4.86	1.57	0.86				5.04	1.50	0.84			

Note: SD: Standard Deviation, SRW: Standardised Regression Weight, CR: Construct Reliability  
 AVE: Average Variance Extracted, HSC: Highest Squared Correlation

### **3.6 Nomological Validity Testing**

Following Cronbach and Meehl's (1955) suggestions, we developed the nomological network of COCE for validity testing purpose. The nomological network includes the conceptual framework of the construct, its dimensions, and its theoretical relationships with relevant variables (Cronbach & Meehl, 1955; Churchill, 1979). Accordingly, the researcher established two theoretical frameworks of consumer psychological empowerment in which the researcher predicted its relationships with consumer online obsessive passion observed in Study 2, and with community identity observed in Study 3.

First, according to psycho-sociology and management literature, an individual passion for a particular activity is based on an individual feeling of empowerment that emerges from such activity (Vallerand, Blanchard, Mageau, Koestner, Ratelle, Léonard, Gagné, & Marsolais, 2003; Wang & Chu, 2007; Perrewé, Hochwarter, Ferris, McAllister, & Harris, 2014). Further, passion is often directed toward activities that are perceived as meaningful, important, and worthwhile for investment of time, energy and other resources (Vallerand et al., 2003). Following the same line of argument, online activities can generate passion for community members when these activities empower them to achieve their collective goal(s). Through collective actions, consumers are able to have meaningful connections and conversations with the firm (Kucuk, 2009). When consumers perceive that they are empowered collectively in the online group activities, they will become passionate about the activities associated with the community. Hence, linking

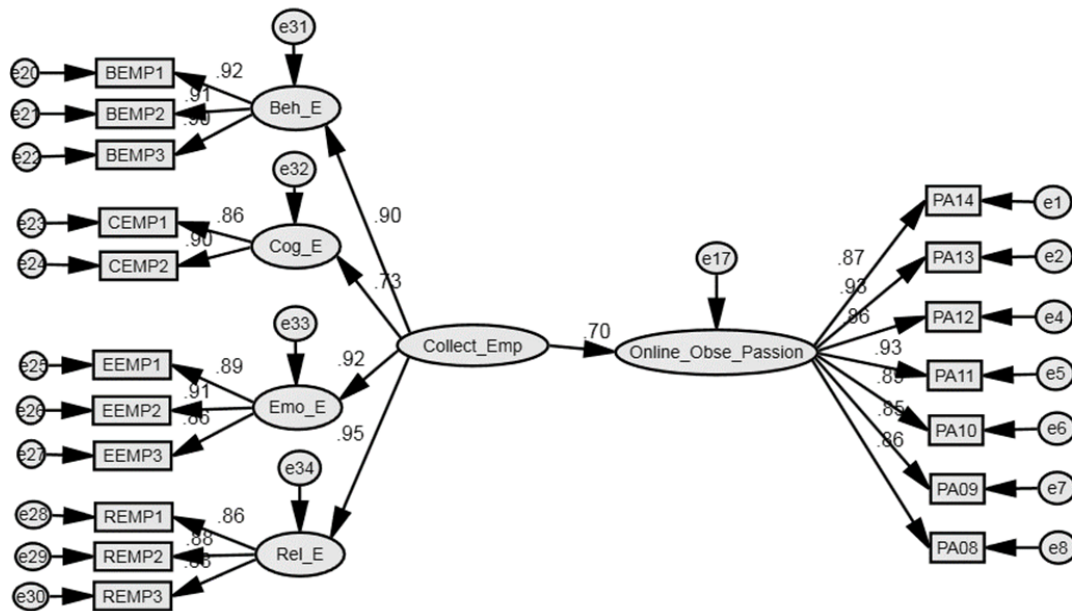
online passion to COCE in the online community context, we adapted a seven-item obsessive passion scale from Vallerand et al. (2003).

Second, using social identity theory (Tajfel & Turner, 1985; Drury & Reicher, 1999), we propose a relationship between community identity and COCE. Without any identification with the community, individual members only perceive themselves as a heterogeneous crowd of consumer who simply visit community pages and express their individual views toward the brand. The feeling of collective empowerment is, thus, absent, as these members do not feel a sense of belongingness with the community and its members. In contrast, when they have a strong identification with the group, they will make effective contributions to the group discussions and put group pressure on the brand for change (Drury & Reicher, 2009). In turn, these consumers perceive a greater sense of collective empowerment when member coalitions achieve the goals for the group. In this study, the researcher adapted the measure of community identity from Zhou et al. (2012) including items such as '*I see myself as a part of this online community*' and '*When I talk about this community, I usually said We rather than They*'.

Figures 3-3 and 3-4 show the results of the structural models. As expected, COCE is positively related to passion (study 3) and community identity (study 4). The fit indices of the COCE – passion relationship were satisfactory with CMIN/DF=2.36, CFI = .97, GFI=.90, and RMSEA=.06. Similarly, the results confirmed a good model fit for the COCE – community identity association with CMIN/DF=2.28, CFI = .97, GFI=.92, RMSEA=.06. The evidence from both studies indicate that the developed scale of COCE

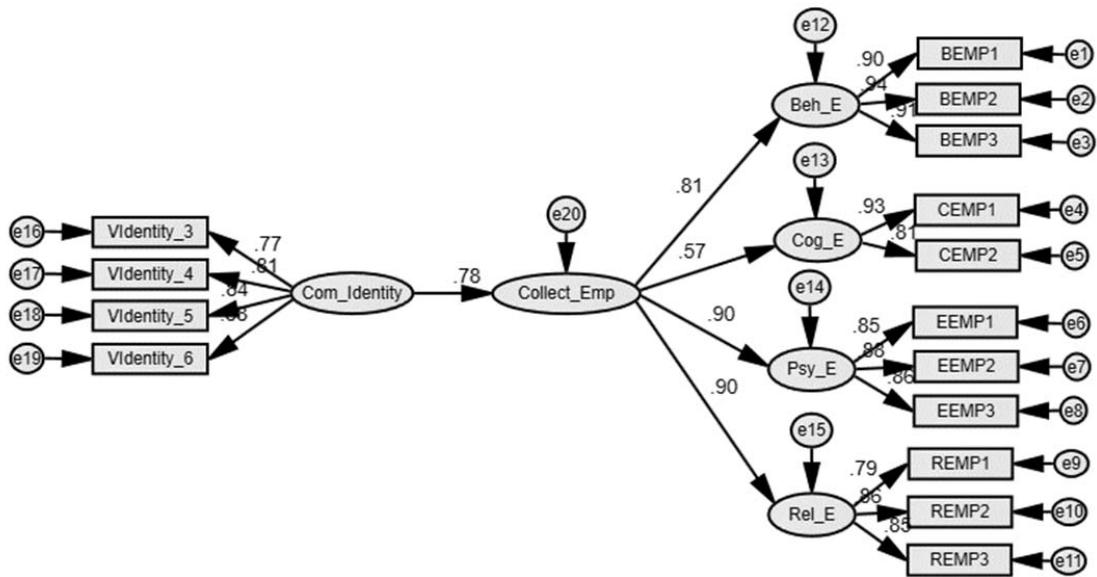
achieves nomological validity. Based on these results, the discriminant validity test was conducted to look at whether the square root of the AVE for COCE was greater than the correlation with passion and community identity. The AVE values for both constructs were greater than the correlations between them, and thus, confirmed satisfactory discriminant validity.

Figure 3-3: CFA model of COCE and Online Obsessive Passion



	<i>CMIN/df</i>	<i>CFI</i>	<i>GFI</i>	<i>TLI</i>	<i>RMSEA</i>
Figures	2.36	.97	.90	.97	.06

Figure 3-4: CFA model of community identity and COCE



	<i>CMIN/df</i>	<i>CFI</i>	<i>GFI</i>	<i>TLI</i>	<i>RMSEA</i>
Figures	2.28	.97	.92	.96	.06

### 3.7 Discussion

Our comprehensive investigation into COCE in online communities makes significant theoretical and managerial contributions to the domain of psychological empowerment.

First, previous studies have not fully conceptualised the construct of online collective empowerment or distinguished it from individual psychological empowerment. This research has made an important theoretical contribution by empirically defining and refining the construct of COCE that captures social-psychological state of confidence in the ability of the group to take control over issues related their consumption experience. The qualitative netnographic results provided evidence of how COCE emerges through online community activities, when consumers utilise their collective knowledge and

experience to handle the issue of concern and enforce the firm to respond in favour of its consumers. The more the members contribute to the group collective actions and campaign, the greater the feeling of collective empowerment. This extends our theoretical understanding of the collective empowerment concept operating in online communities.

Second, the current paper has extended the boundaries of collective empowerment from the socio-psychological literature (Drury & Reicher, 2009; Peterson, 2014) to the marketing domain via an in-depth examination of online consumer collective empowerment from the perspective of online community members. Previous research predominantly explore the construct solely from the perception of personal control and authorisation with limited linkages to online collective activities (Ouschan et al., 2006; Fuchs & Schreier, 2011; Pranić & Roehl, 2013). The findings suggest that COCE stems from the prosocial interactions in the collective activities of like-minded consumers in an online context. Given the recent rise of consumer participation in online communities, this study provides a foundation for future knowledge development related to COCE in marketing research.

Third, this paper is the first to develop a comprehensive multi-dimensional construct of COCE. It recognizes the call from Christens (2012) who conceptualised the four-dimensional construct of empowerment. No prior study has undertaken a dedicated effort to capture the dimensional structure of COCE. Using a mixed method approach, this study followed the recommended steps to develop and validate the measurement of COCE. The empirical inquiries have confirmed the four-factor structure of COCE,



including cognitive empowerment, emotional empowerment, relational empowerment and behavioural empowerment.

Finally, this research established and tested a preliminary nomological network of COCE. More specifically, community identity is positively related to a strong sense of collective empowerment, especially when community members initiate the member coalition in forcing the brand to join in community conversations and satisfy their requests. As a result, members with high COCE will develop their passion with the online activities.

In addition, research findings reported in this study provide several managerial implications. With the increasingly important role of the consumer voice, especially in the online context, an organisation cannot simply ignore the role of COCE. The interactive environment of virtual communities could transform an individual-related problem to a community topic for all concerned members. If the firm does not acknowledge the problem and take immediate action, it might trigger consumer anger which could be damaging to the brand. The firm, therefore, needs to maintain regular interaction with consumers in such communities, thereby strengthening the consumer-brand relationship.

Further, since COCE in online communities can affect members' attitude and behaviours toward the brand, it is important for marketers to measure and track members' perceptions of collective empowerment. While the activities of online consumer groups

influence consumers attitude and behaviour (Kucuk, 2010), there are limited standardized measures for the organisation to assess how participants within an online community sense their psychological empowerment from group activities. The developed and validated measure of COCE in this study could help the brand to track and assess the possible impact of their marketing activities on their targeted online consumer communities. Consequently, the organisation is able to maintain its interactions with community members in order to solve brand related problems and enhance the positive perception toward the brand. As such, proactive involvement between the firm and its online communities will lead to consumer satisfaction, loyalty and ultimately organisational profitability.

### **3.7.1 Limitations and Future Research Directions**

Some limitations in the current study warrant further research attention. Since our development and validation of COCE items were based on a sample of consumers with regular interactions with a travel-related online community, the measure may be context-specific. Future research should validate our proposed measure with different populations and online contexts in order to further verify its validity and applications.

Although the paper found the nomological validity of COCE with community identity and consumer passion, it did not develop the detailed theoretical framework of COCE that integrates other theoretically relevant constructs such as community norms, community credibility, and community engagement. Further research should incorporate these additional marketing constructs at both an individual and collective level to the

framework in order to offer a more comprehensive understanding of COCE.

Finally, there is great merit in a longitudinal study of COCE to see how it develops overtime and the value it offers to the firms. Such inquiry will provide significant insights into its long-term and dynamic effects on the attitude and behaviours of consumers toward the community and the targeted brand and/or organisation.

### **3.7.2 Conclusion**

Given limited studies of online collective empowerment from consumer perspective in the literature, this research conceptualised and developed the measure of the COCE construct. A series of three studies refined and validated a four-dimensional scale of COCE, representing behavioural, emotional, cognitive, and relational empowerment. The multidimensional scale shows a high internal consistency reliability, construct validity, and nomological validity with the related constructs. This developed measure enriches our understanding about the operation of consumer collective empowerment in online communities.

# **CHAPTER 4 : ANTECEDENTS AND CONSEQUENCE OF CONSUMER ONLINE COLLECTIVE EMPOWERMENT: A STUDY OF TRAVEL COMMUNITY MEMBERS**

## **4.1 Introduction**

*“Help people in your network, and let them help you.”*  
Reid Hoffmann – Founder of LinkedIn

Empowerment has been extensively studied across a range of disciplines such as sociology (Peterson et al., 2006), political studies (Diemer, 2012), management (Ergeneli et al., 2007), and information systems (Zhao et al., 2008). It refers to the confidence that people have in their command of resources, energy, and competences to accomplish important goals in their lives (Zimmerman, 1995; Wilkinson, 1998; Diener & Biswas-Diener, 2005; Cattaneo & Chapman, 2010). In the service research domain, empirical studies have predominantly investigated empowerment at individual level (Ouschan et al., 2006; Hunter & Garnefeld, 2008; Midha, 2012; Pranic & Roehl, 2012). These studies focus on how firms authorise empowered consumers to play more active roles in service encounters to reduce employees' workloads (Ouschan et al., 2006; Pranić & Roehl, 2013). Very few studies have examined empowerment at the collective level when consumers come together forming collective power to evaluate the service quality and prices, and strengthening the freedom to act in their consumptions (Braune, 2000; Kucuk, 2012). The fragmented research on this phenomenon has predominantly investigated how consumers can work through the organised collective activities to become empowered (Denegri-Knott, Zwick, & Schroeder, 2006; Harrison et al., 2006; Pires et al., 2006).

Due to the profound impact of the internet, it is widely accepted that online communities have become an important platform for consumer collective empowerment. Online communities including internet forums, social networking sites, blog sites, and shared-interest websites empower consumers to group, discuss, and develop skills and self-efficacy unencumbered by time, distance and location constraints (Zhao et al., 2008). For example, FlyerTalk.com community attracts more than 600,000 members to visit, share and learn from community discussions about various travel-related services offered by hotels, airlines, car rentals, and travel insurance, credit card options, among several others (Sumers, 2014). Similarly, TripAdvisor travel community has 340 million monthly visitors to seek and share 225 million reviews, opinions and tips about accommodations, restaurants and attractions (Hospitalitynet.org, 2014; Byng, 2015). These online communities transform the ways consumers make decisions for their consumptions since they are no longer rely on a one-way downstream flow of information from service providers. Several studies have used terms such as ‘Internet-empowered consumers’ (Harrison et al., 2006; Pires et al., 2006; Kucuk, 2010) or ‘E-empowerment’ (Amichai-Hamburger et al., 2008) to describe how like-minded consumers gather information, share experience to support and assist one another in their consumption process.

Recognising the extent to which online communities have empowered consumers, several scholars (Pires et al., 2006; Kerr et al., 2012; Hennig-Thurau, Hofacker, & Bloching, 2013; Marzocchi, Morandin, & Bergami, 2013) have called for empirical studies to examine the relevant factors driving consumer online collective empowerment as well as consequently consumer perception toward service providers. In particular, since

consumer collective empowerment emerges through community activities, it is necessary to consider the role of community engagement. Engaged members are active participants of community activities, who follow community norms, engage in regular dialogues with others, share collective knowledge, and contribute to developing the long-term reputation of online communities (Brodie et al., 2011; Wirtz et al., 2013). Through their dynamic interactions in various community activities and events, engaged members can facilitate the emergence of consumer online collective empowerment. Surprisingly, the relationship between community engagement and consumer online collective empowerment has not been empirically tested.

Among various other motives, seeking and sharing price information of particular services is a common practice in online communities (Maxwell & Garbarino, 2010). The empowering environment of collective activities provides consumers opportunities to update current prices of the services, to learn about past prices, competitor prices, and promotions, to seek advice about how to get better deals in such price fluctuations for the targeted services (Noone, McGuire, & Rohlf, 2011; Tanford, Baloglu, & Erdem, 2011). Thus, collective empowerment in online communities may impact the ways consumer perceive the fairness of pricing policies offered by service providers. However, previous research has not yet addressed this relationship.

The aim of this paper is, therefore, to examine the antecedents and consequences of consumer online collective empowerment (COCE) in online communities. Building upon resource dependence theory and social capital theory, this paper identifies key factors

driving COCE in an online community context. It focuses on the extent to which community engagement, community norms, and community collective knowledge determines COCE. In addition, it is argued that one possible outcome of COCE is the positive price fairness perception toward the pricing strategy of service providers. Further, this paper considers price sensitivity as a moderator on the relationship between COCE and price fairness perception. By doing so, this paper integrates two research domains – electronic marketing and services marketing, to explore the effect of online collective empowerment on consumer price fairness perception toward the dynamic pricing policy of service providers. This paper contributes to the existing discussions about the importance of online community in empowering consumers with skills and knowledge to support their consumption decisions (Davies & Elliott, 2006; Pires et al., 2006; Kerr et al., 2012; Marzocchi et al., 2013). The findings provide evidence of COCE existence and operations in online communities and, thus, expanded the boundary of collective empowerment research to the online community context.

The paper is structured in the following way. First, previous research on collective empowerment is discussed, with a particular focus on its relevance to online communities. The paper then develop hypotheses based on a conceptual framework about the antecedents and consequence of consumer online collective empowerment. The research method is then described, followed by empirical findings and discussions of the theoretical and managerial contributions of the study. The paper concludes with limitations and future research directions.

## **4.2 Theoretical Background**

### **4.2.1 Resource Dependence Theory**

Resource dependence theory has been widely applied in management literature to explain the sources and consequences of power in inter-organisational relationships (Hillman, Withers, & Collins, 2009). It explains where power and dependence come from, and how actors in the marketplace use their power to manage their dependence. The theory also highlights that resources, defined as ‘anything that could be thought of as a strength or weakness of a given firm’ (Wernerfelt, 1984, p.172), is the basis of power and dependence. An organisation cannot function in the absence of critical resources such as labour, capital, technology, and raw materials (Pfeffer & Salancik, 2003). As such, there are always circumstances that some actors (e.g., the organisation, its suppliers, consumers, managements, competitors) control certain resources vital to other actors’ survival. However, they also need some resources of the other actors for their own operation (Davis & Cobb, 2010). It results in interdependency, when each actor depends on and has power over the other. For example, Apple is dependent on Foxcon for their productions because it cannot find alternative manufacturing options that can deliver consistent quality products with large volumes. At the same time, Foxcon was dependent on Apple because it was a major consumer of Foxcon’s products. The contribution of resources helps the organisation and associated actors reduce the dependency on other external contingencies (Pfeffer & Salancik, 2003). If the organisation knows how to better control and utilise resources, it will achieve peak performances in the marketplace and gain more power over relevant counterparts (Hillman et al., 2009). Due to the



interdependencies, the provisions of collective resources could also benefit other actors who contribute the resources (Davis & Cobb, 2010). The interdependencies reduce the uncertainty in the marketplace, while also maintaining stability in actors' operations.

The merits of resource dependence theory can be extended to the current inquiry in explaining the interdependence between consumers and the online community. On the one hand, consumers rely on online communities to obtain updated information about the marketplace (Stokburger-Sauer, 2010), gather with like-minded others to clarify the ambiguities with the products or services (Cova & Pace, 2006), or simply to voice their concerns toward the targeted brand (Pongsakornrungrungsilp & Schroeder, 2011). On the other hand, the online community relies on consumer contributions for its survival and development (Cova & Pace, 2006; Ouwersloot & Odekerken-Schröder, 2008; Hung, Li, & Tse, 2011). The provision of consumer resources such as shared experiences, brand knowledge and other expertise can enhance the productivity of the community discussions. This, in turn, increases the legitimacy of the community itself (Johnson & Kaye, 2004), especially in terms of giving valuable advice and counselling to other consumers (Wu & Fang, 2010), as well as connecting consumers to the targeted brands (Zhou et al., 2012). As a result, the resource contributions from consumers can strengthen the overall performance of the community (Hu & Sundar, 2009). Importantly, the collective of consumer resources creates powerful community collective knowledge that empowers the consumers (as contributors) to access updated information of the focal matter. That collective empowerment is beneficial to all consumers and, in turn, reduces

their dependences on external contingencies when searching and using information for their purchase decision-making.

#### **4.2.2 Social Capital Theory**

What we draw from resource dependence theory does not, however, explain the reasons that some community members are more willing to follow community regulations and spend their time and efforts to participate in the community activities. Thus, our theoretical arguments are complemented by social capital theory, in order to explain other drivers of collective empowerment. Social capital is perceived as an investment in relationships with certain expected returns at some stage in the future (Woolcock & Narayan, 2000; Hung & Li, 2010). Social capital theory explains the extent to which individuals use their actual and potential resources to strengthen relationships with other actors for their own and for the collective good (Woolcock & Narayan, 2000). People from a particular group will have continuous economic ties that generate networks, norms and trust to encourage the coordination and cooperation among group members so that the group functions properly (Coleman, 1990). Accordingly, the development of social capital occurs naturally and increases overtime when people continue their regular interactions for mutual benefits (Hung & Li, 2010).

In an online context, there is no enforcement that members need to contribute their resources for the purpose of community development. That is, some community members can freeride others' efforts without contributing in return for ready access to the

collective resources. However, social capital facilitates the development of community norms for all members to interact in online communities. Due to the cooperative norms in online communities, some members are willing to engage in interactions and networking with others to build up their social capital in the group (Hsiao & Chiou, 2012). They expect that their social investment in supporting the collective good would benefit them in the future, especially in terms of access to more valuable resources, or useful information about opportunities and choices otherwise not available (Hung & Li, 2010). Thus, social capital facilitates the flow of information exchange among members in an online community (Wasko & Faraj, 2005; Mathwick et al., 2008). It fosters member contributions in collective activities, creates a supportive environment, and reduces the cost for individual members to find better answers for their concerns. As a result, it maintains the stability of the online community structure, and the density of ties among members (Chiu et al., 2006). More importantly, it increases the effectiveness of community activities. As such, social capital provides the conditions for collective actions to exert power over the targeted organisations and their marketing activities effectively.

#### **4.2.3 Consumer Collective Empowerment in Online Communities**

Collective empowerment refers to the positive social psychological transformation of power that occurs when members of a subordinated group gather to strengthen their ability to challenge the injustice in the society (Drury & Reicher, 2009). The term emerged from the early work by Alinsky (1946) and Olson (1965), who suggested that

the minority or powerless people need to gather as a group to create collective power in order to support each other and overcome power imbalance in society. Collective empowerment is related to, but distinct from, individual empowerment, which refers to the perception of personal control of one's social affairs. Through gathering information, exchanging ideas and experience, and interacting with the community, group members are able to strengthen their capability to define the injustices in their environment and suggest solutions for group action to solve problems effectively in order to bring changes for the collective (Wiggins, 2012).

Extending earlier research on collective empowerment, subsequent studies from various disciplines have identified that collective activities from people who share common interests and identities enable them to have more power to control their living or working environment (Spreitzer, 1995; Kraimer, Seibert, & Liden, 1999; Menon, 1999). For example, sociology scholars highlighted the importance of community activities that engage its local citizens to share information, voice their concerns toward government policies, protect their community rights, monitor the government activities, exercise their voting power, and increase awareness of community activities (Leung, 2009). As a result, these activities ensure that community members understand their living environment, put more pressure on the government to meet the demand from the community, and monitor the effectiveness of the government or community operations (Drury, Cocking, Beale, Hanson, & Rapley, 2005; Foster-Fishman et al., 2009).

Empowerment is generally viewed as a multi-dimensional construct. Many scholars theorise empowerment through three interrelated components, namely emotional (intrapersonal), cognitive (interactional), and behavioural empowerment (Zimmerman, 1995; Speer & Peterson, 2000). Emotional empowerment refers to the individual competences to exert their influence. It covers perceived control and perceived competence in the specific context. Cognitive empowerment refers to the critical understandings of the social resource needs and the context for the exercise of socio-political influence. It includes critical awareness, causal agents, and resource mobilisation. Behavioural empowerment refers to individual direct actions to facilitate their empowerment. These components have been developed and empirically tested with a number of studies (Speer & Peterson, 2000; Peterson et al., 2006). Most recently, Chirstens's (2012) incorporated a relational component into the existing components of empowerment to explain the extent that empowerment is developed, exercised and transformed in and through relationships.

In the marketing literature, the majority of empowerment studies focus on structural empowerment at an individual level focusing on the behavioural dimension of empowerment. These studies explain how firms allow, determine, regulate and control what consumers can do in order to reduce the workload of employees at service encounters, to maintain low operating costs, while still meeting consumers' needs (Pires et al., 2006; Ro & Chen, 2011). The firm provides individual consumers an avenue for their proactive involvement during the brand promise delivery process to increase consumer value (O'Cass & Ngo, 2011). However, structural empowerment is criticised as

overly focused on regulating and controlling what individual consumers can do rather than enhancing consumer creativity and activeness during the service delivery process. Few studies have examined the extent consumers receive support from consumers groups for their consumptions process (Harrison et al., 2006; Kerr et al., 2012). Studies in this domain provide evidence that consumers utilise their group power to promote/demote the targeted brand to other consumers (Kerr et al., 2012) or to make complaints about the services delivery process. Further, consumers in these groups also use their collective power to protest the brands (Krishnamurthy & Kucuk, 2009), or even boycott those perceived to have unethical business practice (Shaw et al., 2006).

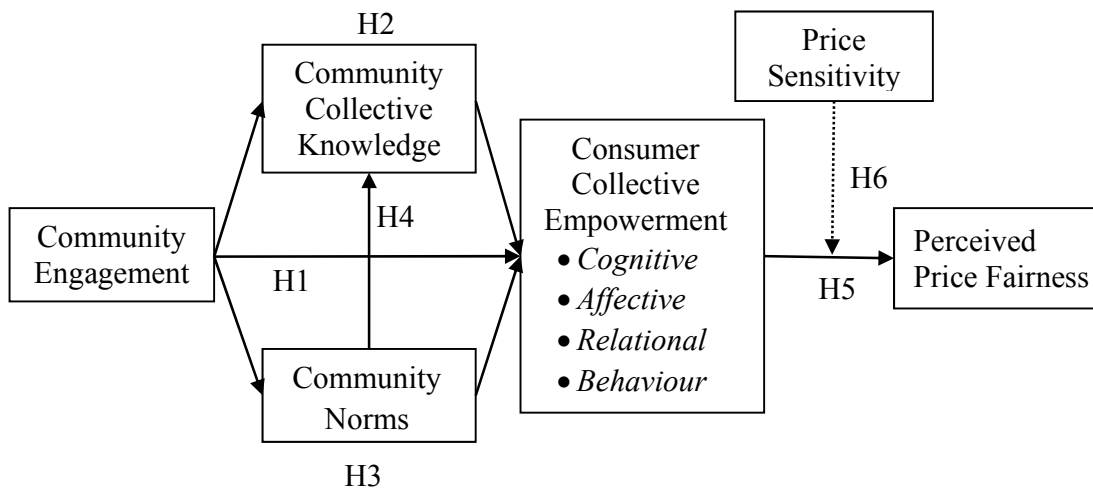
There is a growing interest in examining how consumers use their market collective power in an online community context to gain more control over their consumption (Braune, 2000; Kucuk, 2012). This consumer collective empowerment in online communities is defined as '*a social-psychological state of confidence in the online consumer group's ability, resources, energy, and competence to strengthen its control in the purchase events, and to (re)shape the existing variables handled by the firm into the consumer group's favour*' (adopted from Drury and Reicher 2009, p.709). The interactive and supportive nature of community activities enables consumers to develop group user-generated contents relevant to their purchase events (Bell & Loane, 2010), compare the number and quality of alternatives available in the market (Kucuk, 2009), enhance consumer knowledge about the brand, facilitate risk reductions, and increase control over their consumption activities (Harrison et al., 2006). Through these collective activities, consumers form expectations about the value propositions that they could receive from the sellers (Pires et al., 2006). Empowered consumers become dependent on the

community and, thus, are less likely to follow the advertisements or the marketing campaign of the services/product of the firms (Cova & Pace, 2006; Dalli, Romani, & Gistri, 2006). These conceptual studies suggest that like-minded consumers are empowered collectively with community collective knowledge to strengthen their control over the purchase events and form associated perception of marketing strategy.

### **4.3 Hypothesis Development**

Figure 4-1 shows the conceptual framework of this study. At the core of the model is a multi-dimensional construct of consumer online collective engagement. Although there is a lack of empirical studies on the factors that predict consumer online collective empowerment, we follow the arguments from resource dependence and social capital theories to identify community engagement, community collective knowledge, and community norms as potential antecedents. Further, we proposed the impact of online collective empowerment on perceived price fairness. We also incorporate price sensitivity as a moderator of the effects of online collective empowerment on price fairness perception.

**Figure 4-1: Conceptual framework of consumer online collective empowerment**



### 4.3.1 Community Engagement

A consumer’s community engagement refers to an individual’s cognitive, emotional and behavioural motivation to exchange his/her resources (time, efforts, and knowledge) through the interactions with others in an online community (Gambetti & Graffigna, 2010; Brodie et al., 2011; Hollebeek, 2011). People engage with online communities because they perceive an overlap between their self-identity and the community identity (Algesheimer et al., 2005). Further, the engagement with an online community is driven by brand-related, social and functional values (Wirtz et al., 2013). It is also influenced by several consumer-based, firm-based and context-based factors (Van Doorn et al., 2010).

Engaged members spend a substantial amount of time for participating in online community activities and proactively contribute to building their relationship with the online community (Algesheimer et al., 2005). They often take multiple roles within the community including the role of active posters, sharing their experience and knowledge, brand advocate, as well as the role of community co-developers (Brodie et al., 2011;



Wirtz et al., 2013). As posters, they behave as community citizens by voluntarily providing word-of-mouth recommendations, helping other consumers, blogging, and writing reviews (Van Doorn et al., 2010; Brodie et al., 2013; Wirtz et al., 2013).

As community developers, they show their enthusiasm by providing free labour for community activities and development (Heinonen, 2011). They are senior members of the community who play an important role in managing the collective activities (Ouwersloot & Odekerken-Schröder, 2008). Indeed, several studies show that engaged members contribute a wealth of information and facilitate an effective collective action (Pongsakornrungrungsilp & Schroeder, 2011). Using resource dependence theory, it is argued that there is an interdependence between community engagement and consumer online collective empowerment. Collective empowerment cannot emerge if there is limited resource contributions in collective activities. For example, frequent flyers in an online community can generate attentions from the airline for service improvement if they have enough evidence regarding service lapses. The magnitude effectiveness of their collective activities increases significantly if there are more contributions such as flight details, video, pictures taken at different airports regarding poor services which, in turn, push pressure on the targeted brand for change. Therefore, it is essential to generate resources contribution for the effectiveness of collective activities. Since engaged members are pro-active in community activities, they organise community topics that provide a significant amount of knowledge, information, while at the same time educating new participants who are not familiar with the specifics of the communities. These resources generated by engaged members can ensure the success of the community activities and generate the

sense of collective empowerment among the participants. Thus, it is proposed that those highly engaged members have high degree of motivation to invest resources for collective activities that strengthen the collective empowerment to influence control over the targeted brand. Hence, it is hypothesised that:

*H1: Community engagement is positively related to consumer online collective empowerment*

#### **4.3.2 Community Collective Knowledge**

Knowledge is defined as a ‘*strategic resource which consist of skills and capacities which individuals, teams, and organisations use for problem solving*’ (Eppler & Will, 2001, p.446). Knowledge is developed and transferred from one party to another and remains with the parties after their transaction (Liao & Chou, 2012). Those who have knowledge will be more competent at achieving substantive outcomes in their working/living environment than others especially when the knowledge is valuable, rare, and difficult to obtain and substitute (Eppler & Will, 2001). Knowledge transfers and development require individuals to have a common interest and practice and importantly a common platform such as online communities to facilitate the exchange (Wasko & Faraj, 2005). The collective knowledge of the community is contributed by various community members including ordinary consumers and experts with industry expertise and/or and experiential expertise (Wasko & Faraj, 2005; Seraj, 2012). It is facilitated by the sociability (the facilitation of members’ interactions) and usability (ease of use of the community’s technical system) of the online community itself (Chee Wei, Kankanhalli,

& Sabherwal, 2009). In addition, scholars found that social capital facilitates information exchange among members in an online community that, in turn, strengthens the collective knowledge of the community (Wasko & Faraj, 2005; Mathwick et al., 2008). For instance, Baldus et al. (2015) argued that the degree of engagement with the community allows members to easily adopt the habit of cooperation in order to enhance their knowledge contribution for the collective benefit. Their contributions enable the group to easily update and access to relevant information for problem solving which is difficult to achieve without their participations (Kelleher et al., 2011). In addition, member contributions play an important role in fostering a sense of collective empowerment (Shaw et al., 2006; Drury & Reicher, 2009). In online communities, members contribute their knowledge for the collective because they want to establish strong community activities around the discussed topic (Heinonen, 2011). Because knowledge is power (Pires et al., 2006), the collection of knowledge empowers the groups and its members with the ability to access, update and understand relevant market information without which problem solving might be difficult (Kelleher et al., 2011). Consequently, collective knowledge in the community strengthens the collective consumer power, pushing the target brand for quality enhancement (Kurikko & Tuominen, 2012) or other goals that, in turn, create a sense of collective empowerment among participants. Accordingly, it is hypothesised that

*H2: Collective knowledge of the community mediates the relationship between community engagement and customer online collective empowerment.*

### **4.3.3 Community Norms**

Community norms refer to the perceived guidelines for members to participate in community activities so as to meet the community expectation, enhance the productivity of the collective activities, and strengthen relationships with others (Wasko & Faraj, 2005; Mathwick et al., 2008). Community norms ensure the mutual assistance among members is available when requested (Mathwick et al., 2008). Members gain an understanding of community norms through community FAQs (frequently asked questions), inferring from archives of previous interactions/forum topics, or from regular socialisations among members, as well as repeated participation in community activities over time (Dholakia et al., 2004). Moreover, community norms motivate the establishment of social trust among members even though they have not known each other offline (Wasko & Faraj, 2005; Chow & Chan, 2008; Mathwick et al., 2008; Hsiao & Chiou, 2012). As a result, community members are more likely to co-operate and follow the role-prescribed behaviours and make extra efforts to support the community development (Yen, Hsu, & Huang, 2011), and enhance member willingness to share quality information for the collective benefit (Chiu et al., 2006).

Since engaged members behave as community representatives, they face community pressure to act, interact and cooperate with others in the manner expected by the community (Mathwick et al., 2008). Accordingly, a stronger community engagement leads to stronger adoption of community norms to perform the appropriate behaviours in the community (Dholakia et al., 2004). In particular, engaged members who internalise

community norms tend to foster a ‘we-intention’ that is participation and commitment in joint action in order to benefit the community (Zeng, Huang, & Dou, 2009; Cheung & Lee, 2010). As such, community norms determine how engaged members should behave in joint community actions (Dholakia et al., 2004) such as requesting them to follow the discussion theme consistently, and preventing them from moving too far off topic in order to maintain the productivity of the collective activities. With clear guidelines, regulations created by community norms, the community activities empowers existing participants including engaged members the confidence and reliability in the collective objectives and inspires more members to join in the campaign. The more engaged members join the community campaign, the greater the feeling of collective empowerment generated among the participants. Accordingly, we could presume that:

*H3: Community Norms mediate the relationship between community engagement and customer online collective empowerment.*

Engaged member behaviours in the community are guided by community norms (Algesheimer et al., 2005; Wiertz & de Ruyter, 2007; Mathwick et al., 2008). As such, the community norms are expected to have a strong influence on engaged member actions in the online community, such as their knowledge contribution. Mathwick et al. (2008), based on social capital theory, argued that social trust, voluntarism and reciprocity norms create the cooperative environment for knowledge sharing in an online context. Without these norms, online community activities face the risk of a one-way knowledge flow or the presence of free-riders in which some members will take advantage of others. Thus, community norms foster confidence among members,

particularly with engaged members, to make valuable knowledge contributions to the collective activities, since engaged members trust that their helpful review, opinions, and suggestions will be reciprocated in subsequent discussions in the future (Wiertz & de Ruyter, 2007; Dholakia, Blazevic, Wiertz, & Algesheimer, 2009). It is proposed that:

*H4: Community norms mediate the relationship between community engagement and community collective knowledge*

#### **4.3.4 Perceived Price Fairness**

Pricing is a key indicator used by consumers to make purchase decisions (Wakefield & Inman, 2003; Westermann & Lancaster, 2009). In the marketing literature, consumer perceptions toward the pricing factors have been studied primarily from a fairness perspective. Price fairness is defined as ‘*whether an outcome, and/or a transaction process are seen by consumers as reasonable, acceptable, and just*’ (Bolton et al., 2003, p.475). If consumers believe that price increases are not based on cost increases or changes in market conditions, they may view a demand-based pricing approach as unfair that, in turn, may lead to negative responses to the service offers (Mattila & Choi, 2005). In addition, consumers are more willing to pay a premium price when they consider it is related to higher service levels (Ajzen et al., 2000). When they do not perceive the additional service value for the price they pay, they feel that it is an unfair offer, and may consider the alternatives (Graddy & Robertson, 1999; Ajzen et al., 2000).

To minimize the negative impact of fairness perception, Kannan and Kopalle (2001) and Kimes (1994) suggest that service firms should provide transparent and understandable information about their pricing policy and more pricing options. Such information will enable consumers to select the optimal plan most suitable to their personal circumstances. These activities will offer consumers a sense of control in the pricing process, making them more susceptible to accept price discrimination (Homburg, 2005). In addition, service providers should highlight the uniqueness of their services such as features and brand reputation to reduce buyers' unfairness perception (Lee, Illia, & Lawson-Body, 2011). If consumers experience several transactions over time (Wirtz & Kimes, 2007), or if like-minded consumers receive the same offers in similar circumstances (social comparison) (Xia et al., 2004), they become more familiar with demand-based pricing and, as a result, their negative perceptions decline (Wirtz & Kimes, 2007).

With the proliferation of online communities, it is possible for consumers to search price information when they want to make purchase decisions (Kim et al., 2009; Yang & Jolly, 2009). Since the quality of service is difficult to evaluate, it is not surprising that discussions of pricing has become an increasingly large proportion of online community topics (Suri, Long, & Monroe, 2003; Andrés-Martínez, Gómez-Borja, & Mondéjar-Jiménez, 2014). This is especially true for those who are in the early stages of service usage or have no prior experience for price evaluation (Khalifa & Limayem, 2003; Lee et al., 2007). The relevant information shared by like-minded people in online communities could provide consumers with the ability to judge the dynamic pricing situations for themselves and, hence, empower them. However, previous research has not evaluated the

extent to which collective empowerment in online community influences price fairness perceptions. Since social comparison and price information have been found to be important predictors of price fairness perceptions (Xia et al., 2004), it is possible that participants of online community activities are empowered by community collective knowledge and shared experience of market practices that, in turn, shapes their perception of price fairness.

Several scholars highlight that members of specific online group are usually consumers of the particular brands (Cova & Pace, 2006). Thus, it is possible that their contributions to the collective actions are not only to create value for the collective, but also to satisfy several personal instrumental reasons such as to seek solutions for problems about their own service usage or to access to valuable pricing information shared by other experienced consumers (Wiertz & de Ruyter, 2007; Wang & Chen, 2012). Receiving pricing updated information from other online community members such as the dynamic price structures, the price range during high/low seasons, terms and conditions of each booking class for an airfare, and current and upcoming available promotions, will generate greater confidence toward price setting information. Consumers can take advantage of such an empowering environment and develop their knowledge about the price setting for their own personal benefits (Cova & Pace, 2006). It leads to a feeling that they have better control over their consumption in relation to the price setting. Since the literature has found that consumers perceived the dynamic pricing offers to be fairer if they think they have opportunities to affect the pricing decision (Lee et al., 2011), it is



argued that collective empowerment in an online community may generate positive fairness perceptions toward dynamic pricing strategies. It is proposed that:

*H5: Consumer online collective empowerment is positively related to consumer fairness perceptions of dynamic pricing strategies.*

#### **4.3.5 The Moderating Effect of Price Sensitivity**

Price sensitivity refers to the consumer's willingness to pay more or less for the same services in a given period of time (Coulter, 2001; Ramirez & Goldsmith, 2009; Westermann & Lancaster, 2009). Consumer price sensitivity is a function of the available information on the benefits and costs of the products/services (Tellis & Gaeth, 1990; Lynch Jr & Ariely, 2000; Erdema, Swait, & Louviere, 2002; Diehl, Kornish, & John G. Lynch, 2003), across different service/product categories (Erdema et al., 2002) or market segmentations (Wakefield & Inman, 2003). Increasing information about the alternatives for consumer comparison will enhance price sensitivity (Diehl et al., 2003). Conversely, higher levels of brand loyalty (Choi, Kim, Kim, & Kim, 2006; Garrow, Jones, & Parker, 2007; Goldsmith, Flynn, & Kim, 2010) and quality information (Erdema et al., 2002) would be associated with lower price sensitivity. As consumers are more familiar with the services, they identify the differences among the brands in the marketplace, and the uniqueness of their brand and, in turn, reduce their price sensitivity.

Price sensitive consumers tend to rely primarily on price and not consider other factors such as the quality of the attributes and brand name as important factors when making

consumption decisions (Wakefield & Inman, 2003). Further, price sensitive consumers tend to have a low and inflexible price threshold (an acceptance range of prices) for particular products/services (Hana et al., 2001; Mazumdar, Raj, & Sinha, 2005). So, while collective empowerment provides consumers the opportunities to explore information about different price settings shared by others, with a low price threshold, price sensitive consumers tend to be sceptical and less enthusiastic to analyse this available information (Garrow et al., 2007). Therefore, despite the sense of collective empowerment, price sensitive consumers may be reluctant to utilise all shared information to strengthen their understanding of dynamic pricing strategies. In turn, it could minimise the price fairness perception delivered by collective empowerment. As such, we hypothesise that:

*H6: Price sensitivity moderates the relationship between online community empowerment and consumer price fairness perception.*

## **4.4 Methodology**

### **4.4.1 Sample Characteristics**

A sample of U.S. consumers were recruited from Qualtrics' consumer panel with several screening questions to qualify the respondents to be above 18 years of age and have visited an online community at least once to share their travel experiences or seek travel information and advice from others in the last 12 months. From 1,056 responses, the screening process resulted 316 completed responses for further analysis. The majority of the respondents were male (60%), with average age of 39 years old, hold a diploma

degree or higher (80%), and earn more than \$50,000 (52%). Respondents are online for non-work related purpose at average 5 hours per week. 56% of them visit the community at least once a month. More than 37% post messages and other information on a weekly basis.

#### **4.4.2 Measurement**

All measures were adopted from the existing scales in the literature that had demonstrated reliability and validity. All multi-item scales were measured on a seven point Likert scale. The multi-dimensional scale of consumer collective empowerment developed in chapter 3 captures the members' collective cognitive, emotional, behavioural and relational empowerment in an online community. Community collective knowledge was adopted from the original 3-item scale of Nambisan and Baron (2009). Community Norms was adapted from similar 4-item measure of Nambisan and Baron (2009). Price Sensitivity scales used the measurement from Goldsmith et al. (2010). Community Engagement was adapted from the four-item scale used by Algesheimer et al. (2005). Cronbach's alpha of these scales ranged from .82 to .93 showing high reliabilities of each construct (Coakes & Ong, 2011). The details of standard deviation, means, and loading of measurement items is shown in Appendix 4.

To measure price fairness perceptions, a scenario-based design was used consistent to previous studies examining price fairness perception (Havlena & Holbrook, 1986; Taylor & Kimes, 2009). Each participant was randomly assigned to one of two simulated

dynamic pricing scenarios shown in Appendix 5, consistent with the approach developed based on Taylor and Kimes (2009). After reading the scenario, the respondent was asked to indicate their price fairness perceptions of the price from the scenario using three items adapted from Taylor and Kimes (2009). The Cronbach's alpha values were .94 for this scale.

#### **4.5 Data Analysis and Results**

In order to test the hypotheses and the proposed structural model, the data was analysed by structural equation modeling with AMOS 20 by SPSS.

*Measurement model:* To establish the validity and reliability of the model, one-factor congeneric models were established and all demonstrated good fit with the data. The results of a subsequent CFA demonstrate an acceptable model fit ( $\chi^2 = 820$ , CFI = .93, GFI = .83, TLI = .92, NFI = .96, RMSEA = .070, SRMR = .06). Further, squared multiple correlation for each items, composite reliability and average variance extracted (AVE) for each constructs exceed the recommended values (Byrne, 2010; MacKenzie, 2011, #2403) indicating reliability and convergent validity of the measurement models. Further, AVE of each construct was higher than the squared correlation of other constructs confirming the discriminant validity of measures used in the study. Table 4-1 provides the descriptive statistics, composite reliability, average variance extracted, and the correlations of the key constructs.

**Table 4-1: Descriptive statistics, correlation matrix, and reliability**

	<i>Mean</i>	<i>SD</i>	<i>CR</i>	<i>AVE</i>	COCE	PPF	CN	CCK	CEM	PS
Age	39.6	13.7								
Gender	1.4	.49								
Income	3.3	1.1								
1. Consumer online Collective Empowerment (COCE)	5.1	1.23	.88	.65	-					
2. Perceived Price Fairness (PPF)	4.9	1.53	.94	.84	.44	-				
3. Community Norms (CN)	5.6	1.00	.82	.61	.63	.33	-			
5. Community Collective knowledge (CCK)	5.5	1.09	.83	.64	.54	.35	.64	-		
6. Community engagement (CEM)	5.2	1.22	.86	.62	.72	.32	.59	.55	-	
7. Price Sensitivity (PS)	5.2	1.38	.93	.77	.55	.57	.51	.44	.42	-

\*\*  $p < .01$ ; \*  $< .05$ ; *SD* = Standard deviation; *CR* = Composite reliability; *AVE* = average variance extracted

*Common method variance:* To detect possible common method bias, the study runs two tests. First, a single-factor test suggested by Harman (1976) was conducted. The unrotated factor analysis by SPSS showed the first factor explaining 44 percent of the variance in the analysed data which is lower than the threshold of 50 percent. Second, following Lindell and Whitney (2001), the study conducted marker-variable analysis by using a marker variable which is theoretically unrelated to more than one variables in this study. Accordingly, a three-item measure of involvement was added as the marker variable in the data analysis. As expected, the correlation matrix shows that this variable and other variables in the study were uncorrelated. These two tests confirm that the sample validity of this study are not subject to common method bias (Lindell & Whitney, 2001).

*Structural model:* All constructs were integrated into a comprehensive measurement model to test the model fit. At this stage, income and education were included as control variables. These variables were selected due to their potential to influence consumer empowerment and price fairness perceptions (Heo & Lee, 2011; Veasna, Wu, & Huang, 2013; Christens & Lin, 2014). The data statistics for the path model suggests that the proposed model fits the data well (chiquare/df= 1.88, CFI = .98, GFI = .97, TLI = .97, NFI = .96, RMSEA = .053, PCLOSE= 0.364). All variables show high composite reliability score of more than 0.75 (Fornell & Larcker, 1981). Further, all correlation coefficients among examined variables were found to be statistically significant at  $p < .05$  confirming the discriminant validity. Table 4-1 presents the average variance extract, and correlation coefficients of variables.

*Hypothesis testing:* Consistency with our hypothesis, the result of AMOS analysis confirmed all proposed relationships. Properties including standardized path coefficients ( $\beta$ ) and t-values, are shown in table 4-2. First, the data analysis reveals that community engagement significantly influenced consumer online collective empowerment ( $\beta = 0.44$ ,  $p < 0.001$ ), Hence, H1, was supported.

The results confirm the positive influence of community engagement on community collective knowledge ( $\beta = 0.23$ ,  $p < 0.001$ ) and community norms ( $\beta = 0.48$ ,  $p < 0.001$ ). Moreover, both community collective knowledge ( $\beta = 0.10$ ,  $p < 0.05$ ) and community

norms ( $\beta = 0.30$ ,  $p < 0.001$ ) significantly impact COCE. Since community engagement also directly influences COCE, the results provide evidence of partial mediation of community collective knowledge and community norms in support of Hypothesis 2 and 3.

**Table 4-2: Relationship statistics**

Relationships	$\beta$	<i>S.E</i>	C.R.	<i>p</i>
CEM $\Rightarrow$ COCE	.44	.048	9.12	***
CEM $\Rightarrow$ CCK	.23	.046	5.02	***
CEM $\Rightarrow$ CN	.48	.036	13.25	***
CCK $\Rightarrow$ COCE	.10	.053	1.92	**
CN $\Rightarrow$ COCE	.30	.062	4.79	***
CN $\Rightarrow$ CCK	.55	.058	9.37	***
COCE $\Rightarrow$ PPF	.64	.080	7.99	***
IN $\Rightarrow$ COCE	-.09	.040	-2.14	**
ED $\Rightarrow$ COCE	.04	.035	1.28	.201
IN $\Rightarrow$ PPF	.26	.072	3.55	***
ED $\Rightarrow$ PPF	.04	.064	.70	.485

*Note: CEM = Community Engagement; COCE = Customer Online Collective Empowerment; CCK = Community Collective Knowledge; CN = Community Norms; PPF = Perceived Price Fairness; IN = Income; ED = Education; S.E= Standard Error; C.R= Critical Ratio; \* $p < .10$ . \*\* $p < .05$ . \*\*\* $p < .01$ . \*\*\*\* $p < .001$*

As proposed, community norms exert significant direct and positive impact on community collective knowledge ( $\beta = 0.55$ ,  $p < 0.001$ ). Since community engagement is directly impact community norms, the figures confirm the partial mediation of community norms in support of Hypothesis 4.

Hypothesis 5 investigates the relationships between COCE and consumer perceived price fairness. Based on results in Table 4-2, we found COCE positively affects perceived price fairness ( $\beta = .64, p < .001$ ), supporting hypothesis 5.

In terms of the control variables, the results found no significant influences of education. However, the results indicate that customer income has a significant contribution with regard to explaining COCE ( $\beta = -.09; p < .005$ ) and price fairness perception ( $\beta = .26; p < .001$ ), respectively. These findings suggest that the higher income consumers earn, the higher feeling of COCE they experience which also leads to stronger price fairness perception.

*Moderating effect of price sensitivity:* To examine the moderating effect of price sensitivity, multiple group analysis was undertaken using AMOS to conduct a chi-square difference test. This allows the identification of variations between values of model parameters across the groups (Byrne, 2010). Based on the sample median of price sensitivity, we divided the sample into two different groups (high price sensitivity versus low price sensitivity). A chi-square difference test (Kline, 2005) reported the difference between the groups of high and low price sensitivity ( $t\text{-value}=3.739, p<0.001$ ). To elaborate further of these differences the model for each group is extracted separately. Table 4-3 shows the results for two-group comparison based on different levels of price sensitivity. Price sensitivity moderates the strength of online collective empowerment on consumer price fairness perception, and, thus, support hypothesis 8. Figure 4-2 depicts the findings on the moderating role of price sensitivity. For consumers with low price



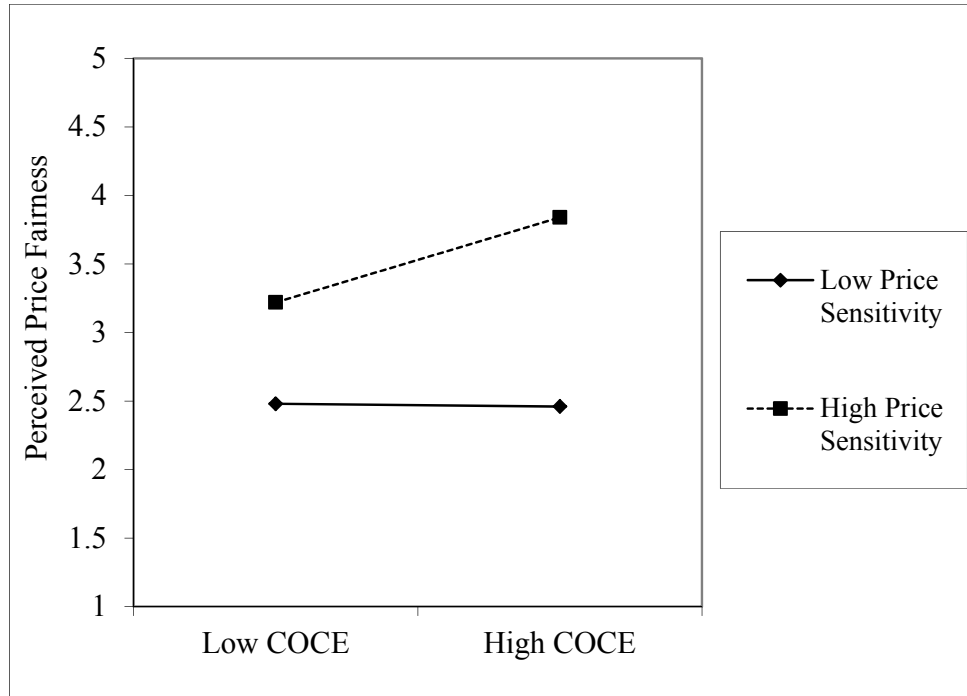
sensitivity, COCE was not significantly related to perceive price fairness (t-value = -0.225,  $p > 0.05$ ). In contrast, consumers who are highly sensitive to prices are more willing to perceive the price fairness of dynamic pricing generated from the collective empowerment in online community activities (t-value = 6.317,  $p < 0.001$ ).

**Table 4-3: Moderating testing**

Relationship	High Price Sensitivity (n=178)		Low Price Sensitivity (n=138)		Differences between parameters (High PS – Low PS)	t-value differences between parameters (High PS – Low PS)	z-score
	B	t-value	B	t-value			
COCE $\Rightarrow$ PF	0.6	6.317	-0.031	-0.225	0.631	6.542	3.739***

Notes: \*\*\* p-value < 0.01; \*\* p-value < 0.05; \* p-value < 0.10

**Figure 4-2: Moderating testing**



#### **4.6 Discussions and Implications**

Using resource dependency theory and social capital theory, this paper develops and examines the nomological network of consumer online collective empowerment by incorporating community engagement, community collective knowledge, and community norms as its antecedents, and consumer perceived price fairness as an outcome. The paper also proposes price sensitivity as a moderator of the relationship between COCE and price fairness.

The paper provides empirical evidence that community attributes (community engagement, community collective knowledge, and community norms) play an important role in enhancing consumer online collective empowerment. When consumers are engaged in an online community, they are likely to feel collectively empowered as a result of the collective activities of knowledge sharing and adoption of community norms. This result aligns with previous research that found engaged members are more likely to behave like representatives of the community (Algesheimer et al., 2005; Brodie et al., 2013). They are willing to work hard for the collective in order to strengthen the community performance. As a result, they feel empowered through their collective actions.

Community norms and community collective knowledge mediate the relationship between community engagement and COCE. Engaged members adopt community norms to regulate their actions in order to strengthen the productivity of collective activities

which, in turn, increases their perceptions of collective empowerment. Mathwick et al. (2008) suggest that community norms foster a positive and productive environment for information exchange. When consumers believe in the supportive relationships among members, their sense of collective power increases as well. In addition, during the process of seeking and sharing experiences, engaged members can utilise community collective knowledge. They feel empowered collectively when supported by the skills, competence, and shared experiences of community members. In other words, the more community collective knowledge, the greater feeling of collective empowerment is perceived by community members. It supports the argument that high levels of knowledge lead to the stronger feeling of empowerment (Pires et al., 2006).

Further, collective empowerment exhibits a positive linkage with price fairness perception. It also mediates the relationship between community engagement and price fairness perception. When details of dynamic pricing offers are shared and discussed with like-minded consumers, engaged members are reassured that the collective have faced the same experiences and coped successfully with such purchasing situations in the past. The shared information about various deals at different prices among members empowers community members to handle dynamic price offers and, thus, strengthen their fairness perceptions regarding its application. The findings support previous studies regarding the importance of social comparison with others (Xia et al., 2004) and familiarity with the price setting practice (Wirtz & Kimes, 2007) in fostering a favourable price fairness perception.

Although the conceptual framework in this paper focuses on the collective attributions of knowledge, norms and empowerment, it is important to consider personal factors that influence the relationship. The personal variable of price sensitivity was found to moderate the relationship between COCE and price fairness perception. Consumers with higher levels of price sensitivity tend to be dependent on COCE to form price fairness perceptions. This finding is supported by evidence from McCall and Bruneau (2010) and Garrow et al. (2007) who demonstrated that price sensitive consumers only rely on the other information shared during collective activities such as service quality, terms and conditions of the offers to form their positive perception toward the dynamic pricing offers. The shared information empowers consumers to understand dynamic offers for products or services. In turn, they are familiar with dynamic pricing policy that enables them to consider the dynamic pricing to be fair acceptable (Wirtz & Kimes, 2007).

The findings of study 4 provide important managerial implications. To facilitate the perception of collective empowerment, online community administrators should provide opportunities for members to interact with other consumers, experts, and service providers to increase their engagement with the community. This will enhance their knowledge contribution to the collective that, in turn, creates more collective power. Further, it is essential for the community administrators to monitor and enforce the adoption of community norms among engaged members. Some explicit rules for community participation should be highlighted through FAQ (Frequent asked question) or T&C (terms and conditions) in community announcement. The enforcement of norms

benefits the community increasing the productivity of sharing collective knowledge. Further, it creates an empowering environment for all participants.

From the perspective of service providers, since empowered consumers have a better perception of fairness associated with dynamic pricing, marketers might foster fairness perception by enhancing member participation in the community activities. These communities need to be treated as new service encounters which enable potential and existing consumers communicate with other consumers (Payne, Storbacka, Frow, & Knox, 2009). Thus, it is suggested that the service providers appoint a representative in the online communities in order to respond in a timely manner to consumers about pricing policies, to educate consumers about the current market pricing practice such as rate fences, and rate frames (Choi & Mattila, 2004; Wirtz & Kimes, 2007), and even to provide professional advice and counselling to its consumers about how to get the best deals. These practices can enhance the legitimacy of dynamic pricing, and create consumer positive perception toward the brand.

#### **4.7 Limitations and Future Research Directions**

Several limitations need to be highlighted for this study. While there are theoretical links between individual and collective empowerment, the study did not measure individual empowerment. Future studies including both constructs could validate their relationship and enhance our understanding of consumer empowerment in online communities. One possible relationship is the linkage between collective empowerment and individual

brand engagement. Kucuk (2009) highlighted that collective empowerment activates new avenues for consumers to interact with the brand. Thus, it is possible that COCE strengthens consumer understanding about the brand value and, in turn, lead to consumer engagement with the brand. Moreover, although we found three community factors can drive collective empowerment, there are several other sources of collective empowerment that should be considered. Group identity (Drury & Reicher, 2009), involvement (Fuchs & Schreier, 2011), and perceived group support (Drury & Reicher, 2005) were found to be significant contributors to individual empowerment and might further influence collective empowerment. Future consumer research including these variables in more complete models for empirical testing would provide a comprehensive understanding of online collective empowerment.

In addition, in the current study, COCE was examined as a higher order construct comprising of four dimensions. Future research might also investigate antecedents and consequences of each of the dimensions in order to enrich our understanding of COCE construct.

Further, because the data are cross-sectional in nature, the proposed causal relationships among variables cannot be established with certainty (Huselid & Becker, 1996). Future studies should conduct a longitudinal or an experimental design to confirmed the causal relationships hypothesized. Finally, this study is limited to US-based community members in the travel industry. Similar studies can be conducted in different industries, or across different countries for validation purpose.

## **4.8 Conclusion**

This study examined the antecedents and consequences of consumer collective empowerment. Using an online community sample, the results show that community engagement, community norms and community collective knowledge have the ability to directly influence consumer online collective empowerment, and in turn, influence price fairness perceptions. Moreover, the results confirmed that price sensitivity positively affect the effect of collective empowerment on price fairness perception. The study highlighted theoretical contributions and management implications of the findings about consumer collective empowerment. Some limitations for future research directions are also provided.

## **CHAPTER 5 : COMBINED CONCLUSIONS**

### **5.1 Thematic contribution**

Collectively, this dissertation contributes to advancing existing knowledge at four way. First, recent research has seen a shift to examine the impact of online communities on consumer consumption activities (Hennig-Thurau et al., 2013; Standing, Tang-Taye, & Boyer, 2014). Stokburger-Sauer (2010) and Zhou et al. (2012) argue that consumer activities in online communities influence perceptions of products, services, or brands. However, little research has investigated how and which online community factors shape consumer perception toward service providers, particular with regards to pricing policies. Moreover, since price is an important indicator for consumer decision making (Hana et al., 2001), a positive perception toward the pricing policy could assist consumers to evaluate and select the product, service or the brand (Choi & Mattila, 2004). Accordingly, this dissertation examines the operation of perceived price fairness in online communities in order to facilitate our understanding of the driving forces of consumer positive price fairness perception in online communities. The findings confirm the importance of online community factors in driving consumer positive price fairness perception toward the targeted brand.

Second, the dissertation identifies several community factors driving consumer price fairness perception. Previous studies suggest two important aspects of an individuals' interaction in online communities, namely community engagement (Brodie et al., 2013; Wirtz et al., 2013; Baldus et al., 2015) and collective empowerment (Harrison et al., 2006



as a route to influence consumer perceptions of perceived price fairness. Further, it has exposed the influence of community member knowledge (and hence the sharing of information) and the regulating role of community norms. The dissertation ties these community constructs together, thereby giving greater insights into the mechanisms through which community factors affect consumer perception toward the dynamic pricing tactic of service providers. While researchers have offered a number of conceptual discussions about consumer engagement in online communities {Brodie, 2013 #2313; Amichai-Hamburger et al., 2008; Wirtz et al., 2013), the emphasis of previous studies has rarely been on the influence of community engagement such as consumer perception of marketing strategy such as price fairness. The finding of this study makes a significant contribution to the emerging theoretical domain on consumer engagement. It highlights the importance of collective empowerment and community engagement in facilitating consumer fairness perception toward the price setting of service providers. The more consumers engage with online communities, the more empowered they feel and, consequently, the stronger price fairness perception results.

Further, since the literature has recognised the importance of empowerment in building consumer understanding of products and services (Davies & Elliott, 2006; Harrison et al., 2006), this study extends empowerment research at the collective level and in an online context. By drawing on findings of empowerment in the literature, the current research develops and introduces a COCE construct into marketing literature. The netnographic study explains the nature of COCE and provides insight into how consumer collective empowerment operates in online communities, allowing the researcher to form and

validate its multi-dimensional measurement in the subsequent studies. Moreover, the empirical evidence provide support for the hypothesis that COCE plays a mediating role between the effect of community engagement and perceived price fairness. This aligns with previous studies showing that the empowering environment of online consumer communities enables consumers to acquire target product/service information (Harrison et al., 2006; Amichai-Hamburger et al., 2008). It facilitates a feeling of control in the consumption situation, particular in with respect to price determination that, in turn, shapes their fairness perception.

Third, by exploring the influence of community factors on price fairness perception, the dissertation takes into account the moderating variances of consumer online savviness and consumer price sensitivity that impact the strength of the online community norms and the influence of the perceived consumer collective empowerment on price fairness perception, respectively. It provides a clear understanding of the extent to which community members with various levels of online savviness and price sensitivity differ their adoption of community norms, and sense of collective empowerment that, in turn, weaken their price fairness perception. Since there are limited existing studies examining the moderators in the process of creating positive price fairness perception, our findings of the moderating effects are important contributions to the literature.

Fourth, since online communities have become popular avenues for consumers to interact and share information about products, services, and brands, research in this emerging area requires appropriate theories to explain the new phenomenon on consumer collective

activities in an online context. This dissertation has extended the applications of four different theories, namely social information processing theory, social identity theory, social capital theory, and resource dependence theory to explain the relationships among community factors and perceived price fairness. Social information processing theory is adopted to explain the key relationship between community engagement and price fairness perception. Further, social information processing and social identity theory support the mediating role of rule familiarity and community norms in the key aforementioned relationship. Social identity theory, in chapter three, explain the nature of COCE and its measure development. In chapter four, social capital theory strengthens the argument for the mediating effects of community norms and community collective knowledge in the relationship between community engagement and COCE. In particular, resource dependence theory provides a robust theoretical foundation for the influence of community engagement on perceived price fairness, mediated by COCE.

We summarise, hereunder, the theoretical contributions of each research question to address the central research question '*What is the extent to which online community engagement and customer online collective empowerment influence customer perceptions of price fairness?*', followed by the discussions of the managerial implication, the limitation and future research recommendations

## **5.2 Theoretical contributions of research questions**

*RQ 1: What is the extent to which online community engagement influences consumer perceived price fairness?*

To answer the calls for further research in consumer engagement (Institute, 2010; Brodie et al., 2011), particular for online communities, Chapter two incorporated community engagement in the examination of consumer price fairness perception. The results confirmed that community engagement is a foundation for building consumer knowledge about the products/services, particular pricing policy in an online community context. Existing literature highlights that engagement with an online community strengthens the consumer relationship with the targeted brand (Brodie et al., 2013; Hollebeek et al., 2014; Baldus et al., 2015). The research results in chapter two further suggest that engagement with the online community could foster the perception of fairness regarding dynamic pricing strategy employed by the firm. By engaging with the community, consumers spend more time draw from the pool of collective resource about pricing provided by the community. These activities enable consumers to understand the industry practice of pricing. In turn, they feel dynamic pricing is an acceptable and fair practice for both consumers and service providers. This is one of the major findings in this dissertation, as it advances literature of consumer engagement by connecting engagement and customer positive perception of a service provider marketing strategy.

*RQ 2: Does consumers' adoption of community price norm and rule familiarity mediate the effect of online community engagement on consumer fairness perception?*

The results confirmed that both community norms and rule familiarity exhibited significant mediating effects on the relationship between community engagement and price fairness perception. Previous studies (Wirtz and Kimes 2007; Taylor and Kimes 2009) argued that rule familiarity strengthens positive fairness perceptions of dynamic pricing. Through the lens of social information processing theory, our findings extended current understanding on perceived price fairness in that consumers must engage with the community activities in which they learn about dynamic pricing practices. It enables them to become familiar with the pricing rules that, in turn, create their price fairness perception. On the other hand, the results revealed that following community norms surrounding pricing strategies provides engaged members with the opportunity to understand the general practice of dynamic pricing. Consequently, it strengthens their price fairness perception. The finding about community norm is critical since recent studies have not explored the role of community norms in facilitating price fairness perceptions.

*RQ 3: Are there differences in the aforementioned relationships, depending on consumer online savviness?*

Chapter two proposed that consumer online savviness moderates the effect of a) community norms and b) rule familiarity on perceived price fairness. The results

confirmed the moderating effect of consumer online savviness on the influence of community norms on perceived price fairness. Consumers who are knowledgeable about the online context and spend more time in online activities could adapt the community norms quickly and strengthen their positive fairness perception toward dynamic pricing policies.

*RQ 4: What is the nature of consumer online collective empowerment in online communities?*

A review of the literature and examination of the activities in an online travel forum suggest the notion of collective empowerment plays a role in understanding the relationship between engagement and price fairness perception. In chapter three, a netnographic study is conducted to explore the nature of COCE in online communities. The findings confirm four dimensional construct of COCE with cognitive empowerment, emotional empowerment, relational empowerment, and behavioural empowerment dimensions. Cognitive empowerment represents consumer awareness of community resources to support other members and foster its influence over the targeted brand. Emotional empowerment represents community members' feeling about community competency to handle the changes of the targeted brand. Relational empowerment relates to how members utilise their interpersonal relationships for the benefits of all participants in the collective activities. Behavioural empowerment is about member actual participations to exert the collective influence. The netnographic finding strengthens our understanding of consumer collective empowerment in online communities drawn from

extend literature. Further, this qualitative finding provides the foundation for the development of a COCE measure capturing all four dimensions of cognitive, emotional, behavioural, and relational empowerments.

*RQ 5: How can COCE be measured?*

Following the analysis of two empirical studies, the multi-dimensional construct of COCE is refined and validated. The scale conforms to a second-order factor model that ties consumer collective empowerment to four distinct dimensions: cognitive, emotional, behavioural, and relational empowerment. This finding makes a significant contribution to the literature since it confirms the conceptualization of a four-dimensional empowerment construct in previous studies (Christens, 2012). Further, the four-dimensional measure recognized the calls from several scholars (Amichai-Hamburger et al., 2008; Cattaneo & Chapman, 2010; Christens, 2013; Dolničar & Fortunati, 2014) to expand the boundaries of empowerment in different contexts. This new measure provides a foundation for further research in the emerging online communities by providing a measurement to explore the effects of collective empowerments.

*RQ 6: What is the extent to which online community engagement influences consumer perceived price fairness through perceived consumer collective empowerment?*

The results show that COCE acts as an important mediator between community engagement and perceived price fairness. This is a much needed contribution, particularly to enrich the findings in chapter two by explaining the role of COCE in the relationship

between community engagement and price fairness perception. Strong engagement with online communities enables consumers to utilise the empowering environment of community activities to strengthen the feeling of control of the pricing strategies. In turn, it enhances their fairness perception toward dynamic pricing tactics from service providers. Further, this finding advances recent research in both price fairness and consumer empowerment. Previous research in price fairness perception has not yet accounted for the effect of the collective on consumer price perception. Drawing from resource dependence theory, this study found that perceived price fairness is driven by COCE. Price fairness perception could emerge when consumers, through the empowering environments of collective activities, have sufficient knowledge and expertise to control their consumption in relation to price setting. Further, the finding helps extend recent scholarly conversations (Harrison et al., 2006; Pires et al., 2006; Kucuk, 2012) about the potential of consumer collective empowerment in an online context. Previous studies argued the role of consumer empowerment in creating consumer satisfaction and loyalty with the brand (Hunter & Garnefeld, 2008; O'Cass & Ngo, 2011). This study makes a further contribution by highlighting the importance of COCE in driving consumer price fairness perception.

*RQ 7: Do community norms and community collective knowledge mediate the effect of online community engagement on online consumer collective empowerment?*

The results confirm the mediating effect of community norms and community collective knowledge on the relationship between community engagement and consumer collective empowerment. While scholars highlighted the potential of consumer empowerment in an



online context (Harrison et al., 2006; Pires et al., 2006), research about COCE is still at an emerging stage with limited empirical studies exploring its linkages to other relevant community constructs. The findings in this study provide a nomological network of COCE in online community by confirming its links with other community factors such as community engagement, community norms, and collective community knowledge. Strong community engagement encourages members to adopt community norms in order to enhance their contributions in the collective activities that, in turn, create the feeling of collective empowerment among participants. Further, engaged members tend to contribute their knowledge to the collective in order to strengthen collective power of community activities requesting the targeted brand for its service improvement.

*RQ 8: Are there differences in the relationship between consumer online collective empowerment and consumer perceived price fairness, taking into account the role of consumer price sensitivity?*

The research findings confirm the effect of COCE on perceived price fairness is moderated by consumer price sensitivity. High sensitive consumers are empowered by the necessary information, tips, suggestions in the collective activities to understand the price setting. It strengthens the judgement of the dynamic pricing strategy that, in turn, strengthens price fairness perception delivered by collective empowerment. This finding provided a better understanding of a personal factor could affect to the strength of the COCE on price fairness perception.

### **5.3 Managerial Implications**

The results of this dissertation provide several management implications. While dynamic pricing practices are popular, some service providers are reluctant to apply this approach due to potential consumer negative perceptions about its fairness. It often is difficult and costly for the company to convince consumers about the benefits of dynamic pricing through traditional approaches such as normal media and advertising. This dissertation identifies that the service provider can utilize online communities to communicate with consumers about the benefits of dynamic pricing, which will eventually create positive price fairness perception.

Manager can capitalise on the influence of online communities by establishing a company representative in the online communities who can facilitate the exchange of price setting information. In particular, since community engagement is a key determinant of perceived price fairness, the representative may need to pay more attentions to engaged members who can facilitate the empowering environment of community. Maintaining regular communication with engaged members of the online community enables the representative and the organisation to respond to any request about the price setting clarification, the current practice in marketplaces, the differences in the terms and conditions of the discount and premium prices in a prompt manner. These actions would enhance members' familiarity with price rules. It leads to a positive perception about what price should apply for different consumer requests. Further, regular promotions of dynamic pricing strategies among community members could develop dynamic pricing practices become community norms. This makes it easier for

members to accept dynamic pricing as a common practice in service industries and have a fairer view toward its applications.

In addition, managers also need to consider the moderating effect of consumer online savviness. Firms should keep updating consumers the new way to search for better deals online in order to increase consumer savviness, which could benefit their price fairness perceptions.

Moreover, the results demonstrate the importance of COCE when consumers feel more powerful in collective activities. Collectively empowered members tend to evaluate dynamic pricing policies more fairly. Sharing of price information, techniques to utilise dynamic pricing strategy, promotional deals etc., among like-minded consumers allow them to perceive in control of the price determination, leading to their positive view about the dynamic pricing strategies. Thus, service providers should measure the strength of COCE in the targeted communities in order to determine whether they need to pay more attention to community collective actions. Prompt reactions from the company representative with collective activities could transform community collective activities against them to become positive ones. The shifted discussions should focus on available pricing techniques and how members can utilise these to maximise the benefits.

Further, service providers should collaborate with the community administrators to enforce the adoption of community norms. It helps maintain the trustworthy, friendliness of community activities, to reduce the heat of the discussions, to encourage member

contribution to the collective knowledge that, in turn, increases the effectiveness of collective empowerment. Additionally, the company representative should actively encourage member to share their experience of different prices paid, proactively facilitate member feedbacks and provide tips to maximise the benefits of dynamic pricing (such as early bird booking, searching the price at different channels, using group buying vouchers). These sharing activities contribute to the collective knowledge of community and foster an empowering environment, ultimately strengthening consumer price fairness perception.

Finally, the company representative should be aware of high price sensitive members who perceive higher price fairness perception than the others in community activities. The company should focus on educating these people about the pricing strategy, sharing promotional deals when available in order to strengthen the effects of COCE on their price fairness perception.

#### **5.4 Limitation and Future Research**

Several limitations of this dissertation should be highlighted. First, all three chapters collected cross-sectional data. Noting the dynamic nature of consumer engagement (Heinonen, 2011; Chandler & Lusch, 2014), it would be enlightening to conduct a longitudinal study to develop a process model of change in community engagement and how it might influences price fairness perception overtime.

While this dissertation found the effects of community engagement, collective empowerment, community norms, and collective knowledge on perceived price fairness, we acknowledge that other theoretically related constructs could play important roles in generating price fairness perception. Algesheimer et al. (2005) and Hsu, Chiang, and Huang (2012) highlighted the role of community identity in shaping consumer engagement with the community and subsequent consumer attitude and behaviour toward the targeted brand. Further, credible communities have been considered as major sources of peer advices, updated market information, product/services reviews (Bart et al., 2005). Thus, community credibility provides an important environmental condition for consumers to join collective activities (Bickart & Schindler, 2001; Park & Lee, 2009). Future research should examine these variables and their relationships with consumer price fairness perception.

Further, the context of the three studies reported in this was built based on dynamic pricing scenarios in the hotel industry. However, dynamic pricing has been applied in various sectors such as airlines, restaurants, retails, and transportation; among other, each sector may have different pricing practices that can lead to different fairness perceptions. Thus, it could be the case that consumer responses to dynamic price will be different. Further studies across different industries could validate our findings of consumer price fairness perception toward dynamic pricing.

The dissertation found two moderators of consumer characteristics of online savvy and price sensitivity. However, there other potential variables such as community

characteristics (ownerships, size, community type)(Doohwang, Soo, & Kyu, 2011; Noone et al., 2011), the service providers quality (luxury or budget) (Taylor & Kimes, 2009) that may moderate the effect of key community factors on consumer fairness perception.

## **5.5 Summary**

The dissertation explores factors in online communities that affect consumer price fairness perception. Using both qualitative and quantitative approaches, four studies have altogether made key contributions to the literature. First, the empirical evidences confirm the influence of community engagement on price fairness perception. Second, the research defined the construct of COCE and refined its measurement for further empirical studies. Further in chapter four, the research found the mediating effect of COCE in the relationship between community engagement and price fairness. By engaging with online communities, consumers are empowered by the collective, and thus, shape their perception about price fairness, taking into consideration of the other mediators (community norms, community collective knowledge, and rule familiarity) and moderators (online savviness, price sensitivity). Together, these studies highlight the importance of online communities on customer price perception.

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## APPENDIX:

### Appendix 1: Definitions of key constructs

Construct	Definition (s)
Community Engagement	An individual's cognitive, emotional and behavioural motivation to exchange his/her resources (time, efforts, and knowledge) through the interactions with others in an online community (adapted from Hollebeek (2011, p.565).
Community Norms	The general rules held by the online community about offers made by the organisations (study 1). The perceived guideline for members to participate in community activities so as to meet the community expectation, enhance the productivity of the collective activities, and strengthen relationships with others (study 3).
Consumer Online Collective Empowerment	A social-psychological state of confidence in the consumer group's ability to strengthen its identity over the firm, to address the injustices of the firm's policies, and to (re)shape the existing variables handled by the firm into the consumer group's favour (adopted Drury and Reicher (2009, p. 709)
Consumer Online Savviness	The competency of consumers across an array of practical skills and knowledge to respond to a constantly changing, networked environment (Macdonald & Uncles, 2007, p.499)
Rule Familiarity	The extent of consumer direct or indirect experiences with the rules of dynamic pricing (Park & Stoel, 2005, p.150)
Perceived Price Fairness	Consumer perception on whether an outcome, and/or a transaction process is reasonable, acceptable, and just (Wirtz & Kimes, 2007, p.231)
Community Collective Knowledge	A strategic resource which consist of skills and capacities which individuals, teams, and organisations use for problem solving (Eppler & Will, 2001, p.446)
Obsessive Passion	Controlled internalization of an activity in one's identity that creates an internal pressure to engage in the activity that the person likes (Vallerand et al., 2003, p.756)
Community Identity	The person construes himself or herself to be a member — that is, as “belonging” to the community. (Algesheimer et al., 2005, p.20)
Consumer Price Sensitivity	The importance buyers place on price in deciding whether or not to purchase' (Taher & Basha, 2006, p.334)
Dynamic Pricing	The buying and selling of services in markets where prices are free to adjust in response to supply and demand conditions at the individual transaction level (Garbarino & Lee, 2003, p.496)

## Appendix 2: Chapter 2 - measurement items

Constructs/Items	Mean	S.D	Loading
<b>Online community engagement</b>			
I think about my participation in this online travel community	4.74	1.34	.71
I think a lot about this online travel community	4.47	1.50	.75
Using this online travel community stimulates my interest to learn more about it	4.92	1.29	.87
I feel very positive when I use this online travel community	5.29	1.11	.84
Using this online travel community make me happy	5.10	1.23	.90
I feel good when I use this online travel community	5.07	1.20	.91
I am proud to be a member of this online travel community	5.02	1.28	.82
I spend a lot of time using this online travel community compared to other travel related websites	4.90	1.32	.78
Whenever I am using travel related website, I usually use this online travel community	5.25	1.26	.84
This online travel community is one of the online communities I usually visit when searching for travel information	5.51	1.16	.68
<b>Consumer online savviness*</b>			
Other people come to me for advice on new technologies	4.29	1.72	.91
In general, I am first among my circle of friends to acquire new technology when it appears	4.18	1.70	.92
I can usually figure out new high-tech products and services without help from others	4.78	1.66	.77
I always know someone to call if I want to find out about the best product or service	5.02	1.31	.81
I have a useful network of contacts who can give me up-to-date product information on the latest innovations	4.96	1.38	.89
I'll often see if there is an online community that can help me when I'm looking for a product recommendation	4.95	1.50	.79
I'll often seek the opinions of other consumers by posting a query about a product on an online bulletin board or chat room	4.54	1.65	.87
I enjoy sharing points of view with online acquaintances via bulletin boards and chat rooms	4.77	1.46	.78
My best contacts for new product information often include people online that I've never met face-to-face	4.53	1.60	.81
When viewing advertising, I can identify the techniques being used to persuade me to buy	5.31	1.19	.83
I am familiar with marketing jargon	5.17	1.27	.85
I'm really good at cutting through to the truth behind the over-claiming in advertisements	5.38	1.15	.86
I am confident at making online complaints to a company when they don't give me what I expect	5.43	1.25	.82
I am confident at telling companies online what I expect from them	5.40	1.23	.92
I am confident at working with companies online to get exactly what I want from them	5.26	1.23	.91

I expect companies to make use of my personal information to give me better service	4.97	1.40	.67
I want companies to keep me informed of further offers	4.86	1.49	.87
For the products and services that interest me I like to be kept informed	5.21	1.30	.86
<b>Community norms</b>			
In order to be accepted, I feel I must behave as other online travel community members expect me to behave	4.27	1.73	.90
My actions are often influenced by how other online travel community members want me to behave	4.05	1.74	.91
<b>Rule familiarity</b>			
How familiar are you with the practice of hotels charging a different room rate for similar stays?	5.59	1.27	.83
How often you have seen, heard, or experienced such a way of pricing hotel rooms?	5.36	1.34	.96
<b>Perceived price fairness</b>			
The hotel is behaving in a fair fashion	4.03	1.70	.82
I agree with the pricing policy of this hotel	3.81	1.72	.93
I consider the outcome of this scenario to be acceptable	3.94	1.76	.90

\* One item (*I often check out chat rooms and bulletin boards to find out about the latest products that are coming*) was deleted due to high cross-loading.

### Appendix 3: Chapter 3 – All items in the scale development process

Code	Description	Original Scales	Content Validity	Panel review	Initial Valid 1	Initial Valid 2	Final
<i>Behaviour Empowerment</i>							
BEMP1	I have used this online community to raise concerns about some brands and advocate for changes	Behaviour Empowerment (Foster-Fishman et al. 2009)					Confirmed
BEMP2	I worked with other members in this online community to improve the brands frequently discussed in the forums	Behaviour Empowerment (Foster-Fishman et al. 2009)					Confirmed
BEMP3	Together with other members of this online community, I have actions on some issues related to the travel service providers.	Behaviour Empowerment (Foster-Fishman et al. 2009)					Confirmed
BEMP4	I had in-depth discussions with other members about issues affecting the brand users	Behaviour Empowerment (Foster-Fishman et al. 2009)				Removed	
BEMP5	I have actively petitioned for improvement in the brand	Behaviour Empowerment (Foster-Fishman et al. 2009)		Removed			
BEMP6	I have communicated with the administrators of this community	Behaviour Empowerment (Foster-Fishman et al. 2009)		Removed			
BEMP7	I have shared information about the brand that I received from other sources (e.g. family, friends, newspapers, TV. etc) with this community	Behaviour Empowerment (Foster-Fishman et al. 2009)			Removed		
BEMP8	I have tried to develop relationships with other members of this online community	Behaviour Empowerment (Foster-Fishman et al. 2009)			Removed		
BEMP9	I shared information about the brand that I received from other sources (e.g. family, friends, newspapers, TV. etc) with / this community	Self-developed		Removed			
<i>Cognitive Empowerment</i>							

CEMP1	The discussions in this online community make me realize that we have a lot of experience collectively	Self-developed				Confirmed
CEMP2	The discussions in this online community make me realize that we have a lot of knowledge collectively	Self-developed				Confirmed
CEMP3	The discussions in this online community make me think about my own contributions to the online community	Intellectual Brand Experience (Brakus et al. 2009)		Removed		
CEMP4	The discussions in this online community make me engage in a lot of thinking	Intellectual Brand Experience (Brakus et al. 2009)		Removed		
CEMP5	The discussions in this online community stimulate my curiosity and problem solving	Intellectual Brand Experience (Brakus et al. 2009)		Removed		
CEMP6	The discussions in this online community make me think of what other members are interested in	Self-developed			Removed	
CEMP7	The online community discussions can provide workable solutions for any travel issue.	Self-developed	Removed			
CEMP8	The online community discussions can trigger positive reactions from target travel organisations.	Self-developed	Removed			
CEMP9	The online community discussions make me proud to be one of its members	Self-developed	Removed			
CEMP10	The online community discussions remind me that we are able to make changes happen	Self-developed	Removed			
CEMP11	The online community discussions remind me that we can have the ability to effect changes from target travel organisations.	Self-developed	Removed			
<b><i>Emotional Empowerment</i></b>						
EEMP1	I can influence the way contributions are made in this online community	Perceived Control (Menon, 2001)				Confirmed



EEMP2	I can influence the decisions taken in this online community	Perceived Control (Menon, 2001)			Confirmed
EEMP3	I have the authority to make decisions in this online community	Perceived Control (Menon, 2001)			Confirmed
EEMP4	I have the competence to contribute effectively to this online community	Perceived Competence (Menon, 2001)		Removed	
EEMP5	I have the required capabilities to contribute to the community	Perceived Competence (Menon, 2001)		Removed	
EEMP6	I have the skills and abilities to contribute to this community	Perceived Competence (Menon, 2001)		Removed	
EEMP7	I am enthusiastic about making contributions toward / the objectives of the community	Goal Internalisation (Menon, 2001)	Removed		
EEMP8	I am inspired by the goals of this community	Goal Internalisation (Menon, 2001)		Removed	
EEMP9	I am inspired by what we are trying to achieve as a / community	Goal Internalisation (Menon, 2001)		Removed	
<b><i>Relational Empowerment</i></b>					
REMP1	The interactions with other members foster a sense of 'community spirit' within me	Social Empowerment (Boley & McGehee 2014)		Removed	
REMP2	The interactions with other members make me feel more connected to this online community	Social Empowerment (Boley & McGehee 2014)		Removed	
REMP3	The interactions with other members provides ways for me to get involved with this online community	Social Empowerment (Boley & McGehee, 2014)			Confirmed
REMP4	Power lies in the relationships between members of this community	Interpersonal Relationship (Speer, 2000)			Confirmed
REMP5	A person becomes powerful through other members in this community	Interpersonal Relationship (Speer, 2000)			Confirmed

REMP6	The only way I can have power in this community is by connecting with other members	Interpersonal Relationship (Speer, 2000)			Removed		
REMP7	By working together, members of this online community can gain power to improve the travel service provider?	Collective Action (Speer, 2000)	Removed				
REMP8	I have my voice heard by working in an organized way with other members of this community	Collective Action (Speer, 2000)	Removed				
REMP9	Power in this online community is collective, not individualistic	Collective Action (Speer, 2000)	Removed				
REMP10	The discussions in this online community make me think of what issues this community should focus on	Self-developed		Removed			
REMP11	When I am unsure about something, I usually go along / with the consensus in this community	Self-developed	Removed				
<b>Item deleted</b>			<b>10</b>	<b>6</b>	<b>11</b>	<b>2</b>	<b>11</b>
<b>Item remaining</b>			<b>30</b>	<b>24</b>	<b>13</b>	<b>11</b>	<b>0</b>

#### Appendix 4: Chapter 4 - measurement items

Constructs/Items	Mean	S.D	Loading
<b>Online community engagement</b>			
I benefit from following the rules of this online travel community.	5.361	1.2174	.67
I am motivated to participate in the activities of this online travel community because I feel better afterwards.	5.149	1.3801	.74
I am motivated to participate in the activities of this online travel community because I am able to support other members	5.313	1.2624	.78
I am motivated to participate in the activities of this online travel community because I am able to reach my personal goals.	4.921	1.5564	.92
<b>Consumer Online Collective Empowerment</b>			
I have used this online community to raise concerns about some brands and advocate for changes	4.722	1.9003	.91
I worked with other members in this online community to improve the brands frequently discussed in the forums	4.671	1.9516	.93
Together with other members of this online community, I have actions on some issues related to the travel service providers.	4.706	1.9004	.92
The discussions in this online community make me realize that we have a lot of experience collectively	5.225	1.4154	.87
The discussions in this online community make me realize that we have a lot of knowledge collectively	5.177	1.4410	.86
I can influence the way contributions are made in this online community	4.646	1.9859	.87
I can influence the decisions taken in this online community	5.706	1.1651	.88
I have the authority to make decisions in this online community	5.747	1.1349	.85
The interactions with other members provides ways for me to get involved with this online community	5.424	1.3395	.78
Power lies in the relationships between members of this community	5.171	1.4285	.89
A person becomes powerful through other members in this community	5.044	1.5028	.83
<b>Community norms</b>			
Members of this community willing to help others by promptly answering their travel related problems.	5.661	1.1280	.53
Members of this community offer innovative product ideas and suggestions to the relevant hotels and airlines	5.491	1.2661	.73
Members of this community were responsible and contributing member of the community.	5.611	1.0528	.74
Consistently offering constructive ideas and suggestions on product usage to other members.	5.585	1.1801	.85
<b>Collective Knowledge</b>			
Amount of information about travel (e.g., features, updates) contained in my interactions in this online community is very	5.589	1.1853	.82

large.			
Amount of information about travel tips contained in my interactions this online community is very large	5.560	1.2291	.83
Amount of information about travel market (e.g., competing products, complementary products, pricing) contained in my interactions in this community is very large	5.367	1.3863	.74
<b>Perceived price fairness</b>			
The hotel is behaving in a fair fashion	4.905	1.5504	.93
I agree with the pricing policy of this hotel	4.722	1.6785	.91
I consider the outcome of this scenario to be acceptable	4.943	1.6628	.91
<b>Price Sensitivity</b>			
I am willing to select this hotel, even though its prices might / be high	5.297	1.3871	.90
I do not mind spending a lot of money to stay in this hotel	4.940	1.5795	.90
This hotel is worth spending a lot of money for	5.193	1.4813	.92

## **Appendix 5: Chapter 4 - Scenario for price fairness perception (Low-high)**

*You were flying to Nassau, the Bahamas for a short vacation.*

*You wanted to stay at your favorite 4-star resort (similar to the Melia Nassau Beach, Grand Hyatt at Baha Mar, Paradise Island Beach Club) that has a top beachside location and offers semi high-end amenities such as personalized service, 24-hour room service, outdoor swimming pool, a fitness center, and a full service restaurant.*

*After browsing several online booking sites, you decided to make a reservation at **\$400/night** (~~**\$500/night**~~) for your accommodation for 5 nights. **This booking cost you \$2,000** (~~**\$2500**~~).*

*However, when you shared your deal in the online travel community that you've been telling us about and read some new topics on the forum, you found out that some members had booked to stay in the same resort during the same time period in a similar room type with the range of paid prices for this resort from \$400 to \$500, and the average paid price of this resort is \$450. They told you that the resort set the price dynamically based on the 'close to arrival'. The price tends to be higher for rooms booked closer to the arrival day than those booked far in advance.*

*You realized that you had just **saved \$500** (~~**could have save \$500**~~) with your booking at the lowest price (\$400/night for 5 nights).*

## Appendix 6: Coding process

### Stage 1: Open coding

Name	Sources	References
Clarification	69	313
Comparison	63	242
Complaining	59	248
Compliment	39	87
Defensive - Argument - Explanation	44	146
Follow Up	16	22
RedRoo (Qantas representative)	28	70
Sharing Experience	83	776
Suggestion	68	193
Threat to switch business	26	50
Analyse - Detect problem	74	353
Add-in	7	12
Comparison	5	6
Argument	80	504
Agree & Support other opinions	49	141
Compliment	7	10
Challenge	8	25
Sharing Information	30	63
Sharing Rumors	7	10
Guessing	12	89
Ask for share back experience	3	3
Asking for clarification or explanation	44	112
Asking for opinions	6	6

Seeking helps from others	1	2
So-Anger	5	7
So-Compliment	20	37
So-Invitation	0	0
So-Joking	17	32
So-respect	16	49
So-Sympathy	6	9

## Stage 2: Axial coding

Name	Sources	References
<b><i>Brand Behaviours</i></b>	<b>87</b>	<b>2185</b>
- Clarification	69	313
- Comparison	63	242
- Complaining	59	248
- Compliment	39	87
- Defensive - Argument - Explanation	44	146
- Follow Up	16	22
- RedRoo (Qantas representative)	28	70
- Sharing Experience	83	776
- Suggestion	68	193
- Threat to switch business	26	50
<b><i>Community Contribution</i></b>	<b>87</b>	<b>1081</b>
Analyse - Detect problem	74	353
Add-in	7	12
Comparison	5	6
Argument	80	504
Agree & Support other opinions	49	141

Compliment	7	10
Challenge	8	25
Sharing Information	30	63
Sharing Rumors	7	10
Guessing	12	89
<b><i>Community Seeking</i></b>	<b>46</b>	<b>123</b>
Ask for share back experience	3	3
Asking for clarification or explanation	44	112
Asking for opinions	6	6
Seeking helps from others	1	2
<b><i>Socialising</i></b>	<b>27</b>	<b>56</b>
So-Anger	5	7
So-Compliment	20	37
So-Invitation	0	0
So-Joking	17	32
So-respect	16	49
So-Sympathy	6	9



### Stage 3: Selected coding

Name	Sources	References
01. Critical awareness	19	27
02. Resource Mobilisation	19	24
03. Perceived Control	14	17
04. Perceived Competence	6	6
05. Passing on legacy	2	3
06. Collaborative competence	18	29
07. Facilitating other empowerments	17	25
08. Community Involvement	5	5
Analyse - Detect problem	74	353
Argument	80	504
Agree & Support	49	141
Sharing Info.	30	63
09. Community Participation	6	8
Clarification	69	313
Comparison	63	242
Educating	44	146
Sharing Experience	83	776
Suggestion	68	193
10. Coping behaviours	3	5

## Appendix 7: Coding details

### 1. Critical awareness

Node	Comments
Community Contribution – Agree/Support	<p>I haven't answered the poll either but I do feel encouraged to start sending feedback to QF regarding every flight (and not just about priority boarding).</p> <p>Exactly, hence my thread, the more people that complain the more action QF may take.</p> <p>The issue is that Qantas is aware of the situation</p> <p>I think the frustration is pretty clear at this late stage of the thread. Surely others have seen improvement over this period?</p>
Community Contribution – Add-in	<p>Still many people on AFF lead a campaign to get priority boarding and Qantas eventually did something. Also see the point about excluding a large number of responses from people who have complained</p> <p>Since the start of this thread I have seen a marked improvement in PB, and while still not 100% consistent, the presence of RedRoo would suggest that they actually do care and want to improve.</p>
Community Contribution – Argument	<p>You obviously know that this is a forum where everyone can voice their opinion - including myself</p> <p>Actually I think the thread was set up before QF "implemented" PB - it was the pages and pages of complaints here that actually triggered QF to do something about it</p> <p>To be honest Red Roo, there are probably a half dozen members on this site who have travelled extensively and who could provide a workable solution in about 10 minutes. Not only to this but to many other issues. Sometimes it might be worth tapping into those resources'.</p>
Brand Behaviour – Complaining	<p>I started this thread over a month ago and the 20 pages of replies seem to indicate this is a significant issue that QF customers (particularly elites) would like an answer on.</p> <p>While I accept Red Roo has said he/she is taking this further and investigating, it should never have got to the point and, I believe, only did because there was so much noise about it made on this thread.</p> <p>Actually I think the thread was set up before QF "implemented" PB - it was the pages and pages of complaints here that actually triggered QF</p>

	to do something about it.
Community Contribution – Compliment	<p>This is good news and shows that AFF does have the ability to effect change. A well done to all those AFFers that worked to make this happen.</p> <p>I must say, I think this is very much a win for AFF. Notwithstanding the fact the outcome will not please everyone, we've harped and harped on this for a long time and I think we can all be satisfied that action has, finally, occurred.</p> <p>People power FTW! great new Red Roo though I expect any follow up to be late morning!</p> <p>Also keep the feedback to QF continuing, as this forum was the reason why QF started up PB on QF domestic.</p> <p>Again, though. Well done, Qantas, for how far priority boarding has come . . . since AFF took up the good fight.</p>

## 2. Resource Mobilisation

Node	Comments
Community Contribution – Agree & Support	<p>I Agree Medhead, we all have the information, and we all have to make decisions as a result of the information supplied. There will always be winners &amp; losers, but the more you hang around on this site the more informed you will be, effectively "winning" more than "losing"</p> <p>Exactly, hence my thread, the more people that complain the more action QF may take.</p> <p>The post on this forum and repeated questions have led Qantas at least to trial priority boarding, if not we would never have even heard about it</p>
Community Contribution - Argument	<p>We benefit from lots of inside information on AFF and I don't understand why some are so quick to criticize. As long as the posters weren't maliciously spreading wrong information, give them a break</p>
Community Contribution – Compliment	<p>I do solute those of you who do make the effort to complain in order to bring change. Well done.</p> <p>I started this thread over a month ago and the 20 pages of replies seem to indicate this is a significant issue that QF customers (particularly elites) would like an answer on.</p>

	<p>At 2,780 posts, this thread has been a jolly good read.</p> <p>Still many people on AFF lead a campaign to get priority boarding and Qantas eventually did something. Also see the point about excluding a large number of responses from people who have complained</p>
<p>Community Contribution – Suggestions</p>	<p>This is a key concern to AFF members and rightly so. Why don't we try to fix it in 2013.</p> <p>I guess there's also a responsibility for us who see it not being enforced to report it to QF every time it happens and take photos or document the failure in process. If they aren't aware of the problem, they won't be able to do anything about it.</p> <p>I would feedback them anyway with your particular details. Once there are dozens of feedbacks about failure to police priority boarding then QF management might start to do something about it.</p> <p>I guess the only way to get QF to listen is to get a whole bunch of CLs, who collectively direct hundreds of millions to QF, threaten to move all their spending to VA unless PB is implemented and enforced every single time.</p> <p>Make a complaint to Qantas about it, if enough people start doing that they may start to do something.</p> <p>Looking forward to seeing how they do it - 10 points to the first AFF to post a pic?</p>
<p>Brand behaviour – Suggestions</p>	<p>Hope everyone is emailing either QF or Red Roo with these PB failures. Flight numbers and dates are being posted and should be enough information. Surely management (now) care? DJ is outdoing QF on this front by miles</p> <p>Good idea. I'll make a short video of DJ boarding and QF boarding and post it on YouTube.</p> <p>While you've got the video camera out, why don't you video the Priority Checkin areas for both airlines &amp; send to QF as a comparison?</p>

### 3. Perceived Control

Node	Comments
Brand Behaviour – Complaining	<p>Customers need to stop letting them get away with this, they are advertising it as a feature, we spend money or our company does and then this feature is not delivered, enough is enough.....</p> <p>So we have QF listening. Now we, as the customer, need to be sure QF understands and accepts what we are expecting.</p> <p>Please post here and tell us when the Platinum Benefit page will be updated to show Domestic Priority Boarding is a Platinum Benefit as otherwise everything that QF has said on this issue will have no credibility.</p> <p>Hope everyone is emailing either QF or Red Roo with these PB failures. Flight numbers and dates are being posted and should be enough information. Surely management (now) care? DJ is outdoing QF on this front by miles</p> <p>I think the frustration is pretty clear at this late stage of the thread. Surely others have seen improvement over this period?</p> <p>Red Roo needs to take a good look at all the posts in this thread and make sure they are being acted upon.</p> <p>I would feedback them anyway with your particular details. Once there are dozens of feedbacks about failure to police priority boarding then QF management might start to do something about it.</p>
Community Contribution – Compliment	<p>People power FTW! great new Red Roo though I expect any follow up to be late morning!</p> <p>While I accept Red Roo has said he/she is taking this further and investigating, it should never have got to the point and, I believe, only did because there was so much noise about it made on this thread</p> <p>Thank you, Red Roo. I must say, I think this is very much a win for AFF. Notwithstanding the fact the outcome will not please everyone, we've harped and harped on this for a long time and I think we can all be satisfied that action has, finally, occurred.</p> <p>I really think this thread is beyond use.</p> <p>Also keep the feedback to QF continuing, as this forum was the reason why QF started up PB on QF domestic.</p> <p>Again, though. Well done, Qantas, for how far priority boarding has come . . . since AFF took up the good fight.</p>
Brand Behaviour –	Also keep the feedback to QF continuing, as this forum was the reason

Follow up	<p>why QF started up PB on QF domestic.</p> <p>So we have QF listening. Now we, as the customer, need to be sure QF understands and accepts what we are expecting</p> <p>Red Roo needs to take a good look at all the posts in this thread and make sure they are being acted upon.</p> <p>I would feedback them anyway with your particular details. Once there are dozens of feedbacks about failure to police priority boarding then QF management might start to do something about it.</p> <p>QF please can you provide an update on the "alleged" "Priority" boarding offered to your Platinum Frequent Flyers. Tests in Sydney were reported but no further updates were posted.</p> <p>We have been told that there will be a trial and Qantas are looking at it... nothing else. This angers a lot of us because it was a listed benefit and every other major airline in the world provides it. ...I think Qantas should provide a statement to this forum via Red Roo on how long the trial will last and when it will be implemented or at least when the results of the trial will be known.</p>
Brand Behaviour - Compliment	<p>Since the start of this thread I have seen a marked improvement in PB, and while still not 100% consistent, the presence of RedRoo would suggest that they actually do care and want to improve.</p>
Community Contribution - Argument	<p>If you are weak or vacillating then you won't get what you want</p> <p>Surely there is enough clout from members on here to make a difference.</p>

#### 4. Perceived Competence

Node	Comments
Brand Behaviour - Argument / Suggestions	<p>to be honest red roo... there are probably a half dozen members on this site who have travelled extensively (serfty mentions AA priority access, others can describe how it is done on CX/KA) who could provide a workable solution in about 10 minutes. not only to this but to many other issues. sometimes it might be worth tapping into those resources</p> <p>I'd love qantas to put me on a 6 month contract because that'd be all it would take to sort this crap out</p> <p>BTW Red Roo, I'm happy to come on board and help with the staff training, or even just to review and revise the PB process. I have some pretty good on the ground experience.</p>

Community Contribution – Agree & Support	<p>I Agree Medhead, we all have the information, and we all have to make decisions as a result of the information supplied.. .....There will always be winners &amp; losers, but the more you hang around on this site the more informed you will be, effectively "winning" more than "losing"</p> <p>You would be surprised at the level of knowledge that AFF members have compared to flight attendants in regards to Qantas rate tier and benefits</p>
Brand Behaviour – Argument	<p>I have a voice and will continue to use it to point out when Ffer benefit providers fail to deliver their stated benefits. If you will do the search, you will see I pointed out to both VA and Priority Pass the issues with non disclosure as the PP VA lounge program ended.</p>

### 5. Passing on legacy

Nodes	Comments
Socialisation	<p>I have posted what I feel is appropriate to post, without breaching confidence. I have tried to be as helpful to AFF members without crossing the line. I fly way too much, to sour my relationship with Qantas. As it turns out..... Qantas DOES know who I am! (Lindsay, markis10 please help me out here). I'm not answering any specific questions on the forum. Several AFF members I know personally, and I trust not to pass info on, have called or texted me and they have more information.</p>
Community Contribution – Agree & Support	<p>The verified source has not always had the most up to date information. As I said - there is absolutely no loss to anyone. had the information proved correct everyone would have gained. I can't see the issue.</p> <p>I really think this thread is beyond use.</p>
Community Contribution – Compliment	<p>While it may be really really really really really really really annoying to keep hearing about it, this was absolutely not being taken seriously by QF until gowatson, simongr, OverrideServlet, medhead and Danger did their respective things</p> <p>Of course, I sincerely mean that those guys have done an exceptional job. I started on this subject but have been worn down by the corporate inaction.</p> <p>Props to Red Roo and QF for finally coming to the party on this - but also a massive thanks to gowatson (who seems to have disappeared ) and others for their persistent 'bleating' which may have annoyed some (myself included at times) but has brought about a real, tangible result</p>

	<p>that benefits many fellow FFs.</p> <p>Still many people on AFF lead a campaign to get priority boarding and Qantas eventually did something</p>
--	--

## 6. Collaborative Competence

Node	Comments
Brand Behaviour - Argument / Suggestions	<p>Yes we are a small group BUT the biggest part is because most of us are frequent flyers, our family, friends, colleagues, acquaintances et al believe that we know what we are talking about ..... so if we tell them that QF sucks big time or what not, they often dial in and listen to us'</p> <p>With anything not in a press release, and even then, things change, and I don't think members here should be shooting the messengers just because a rumour didn't eventuate. It provided for some good discussion.</p> <p>Qantas probably wouldn't have taken any action at all if it wasn't for all the noise these guys made about it.</p>
	<p>.There will always be winners &amp; losers, but the more you hang around on this site the more informed you will be, effectively "winning" more than "losing"</p> <p>You obviously know that this is a forum where everyone can voice their opinion - including myself</p>
Community Contribution – Suggestion	<p>Make a complaint to Qantas about it, if enough people start doing that they may start to do something.</p> <p>I can just imagine a bunch of WPs going on strike about Priority Boarding...</p>



## 7. Facilitating other empowerment

Node	Comments
<p>Brand Behaviour – Suggestions</p> <p>Community Contribution – Suggestions</p>	<p>I don't think there is any shame in posting an email to QF directly with flight number and date attached. Its the only way they can get on top of service failure if they are even interested. Its obvious (to me) by now that they don't do service audits or have any sort of ground/gate management in place. Send an email with useful detail to a board member.</p> <p>Hope everyone is emailing either QF or Red Roo with these PB failures. Flight numbers and dates are being posted and should be enough information. Surely management (now) care? DJ is outdoing QF on this front by miles</p> <p>I haven't answered the poll either but I do feel encouraged to start sending feedback to QF regarding every flight (and not just about priority boarding).</p> <p>If you are genuinely interested in seeing how people responded to a bad experience I again suggest it would have been useful to give people a choice of yes, but with a non-negative follow-up experience</p> <p>Hope everyone is emailing either QF or Red Roo with these PB failures. Flight numbers and dates are being posted and should be enough information. Surely management (now) care? DJ is outdoing QF on this front by miles</p> <p>Exactly, hence my thread, the more people that complain the more action QF may take.</p>
<p>Community Contribution - Argument</p>	<p>I've voiced issues with Qantas in the past, well before you were around here. You just seem to think I like all things Qantas.</p> <p>Originally Posted by Pu Koh: <i>But this forum isn't an official channel to communicate with QF. If you email them direct, you get a reference number and can follow up with them and ask why nothing was done.</i> I see that PMing Red Roo as a official QF feedback channel. That is why he is here. Backing it up via this thread makes it transparent, which I suggest is a desirable effect.</p>
<p>Community Contribution - Compliment</p>	<p>Thanks to everyone for the all the different types of information which have been very valuable to me. Going through different posts and reading everyone's feedback on topics has helped me a lot from suggestions</p>

## 8. Community Involvement

Node	Comments
	Hope everyone is emailing either QF or Red Roo with these PB failures. Flight numbers and dates are being posted and should be enough information. Surely management (now) care? DJ is outdoing QF on this front by miles
	You gain a lot of information from reading AFF... the tricks of the trade, the short-cuts, and a whole lot of discussion and feedback on what their competitors are doing

## 9. Community Participation

Node	Comments
Community Contribution – Clarification	<p>Does QF: 1) Offer Domestic "Priority Boarding" access to QF FFers and / or OW FFers? Here I mean walk up anytime, get your boarding pass / QF FFER card scanned and walk on the plane, even if there is a long line of boarding Paxes and only one ground staff scanning the BPs? 2) If so what QF / OW tier statuses are offered this Domestic "Priority Boarding" service? 3) If so and there is no clearly marked "Priority Boarding" channel, how does a FFER physically obtain the Priority Boarding access?</p> <p>I have a voice and will continue to use it to point out when FFER benefit providers fail to deliver their stated benefits. If you will do the search, you will see I pointed out to both VA and Priority Pass the issues with non disclosure as the PP VA lounge program ended.</p>
Brand behaviour - Suggestion	<p>I generally see a fairly empty PB lane and a larger general lane.. However I have noted that FA's do not say anything when someone not entitled to use the lane just uses it. This is in stark contrast to the security lane which is policed. If someone not entitled to use the lane is sent to the back of the general lane, they will stop using it. Most people i have seen using it are golds.</p> <p>I think however RR the staff needs to send people off who aren't entitled to use the PB lane. I had a gold in front of me the other week on one flight and a bronze behind me on another. Sending them to the end of the queue will stop them trying to jump over.</p> <p>My suggestion to improve PB and the misuse of the PB line would be :</p> <ul style="list-style-type: none"> <li>- special boarding call for those needing assistance &amp; families with young children (as is done now) - special boarding call for J, WP and OWE, - general boarding call starting with "welcome to QF flight no. xxx". In my experience people are generally respectful of special</li> </ul>

	<p>boarding calls - barring the occasional person who apparently does not have English as their first language. The boarding scrum happens when the general boarding call is made. People don't stop to listen to the instructions, they just all push forward as soon as they hear "welcome to QF flight no. xxx", and they don't care whether they are in the correct lane or not.</p>
<p>Brand behaviour - Educating</p>	<p>Yet here, on the comparison page (website link), it's listed as both international and domestic...I'll refer you to clause 3.2a of the Qantas Frequent Flyer T&amp;C. Implemented or not, it is a published benefit').</p> <p>I disagree. The oneworld website refers to "Boarding at convenience". The Qantas website refers to "Priority boarding". Board at convenience and priority boarding are certainly not the same. To me, the former is most beneficial on international flights where an airline may, for example, call rows 35-50 first. A oneworld Sapphire or Emerald, seated outside of these rows, could then choose to board with that group. Priority boarding, by virtue of the word 'priority', suggests you will be in the first lot of passengers to board and will be given precedence over other passengers to do so.</p>
<p>Brand behaviour - Sharing experience</p>	<p>serfty mentioned American Airlines priority access, while others could describe how it is done on Cathay Pacific</p> <p>There are countless examples on this thread where gate staff have said that priority boarding doesn't exist for domestic flights, which is direct contrast to the Qantas website</p> <p>Actually, Virgin have had board first priority since the end of last year, if not longer. It works well, because they control the boarding process with the announcements. The first announcement is not DJXXX is now boarding, instead it is DJXXX will be boarding in a few minutes. Now, I've heard this once from QF in SYD, where the announcement was "QFXXX boarding soon, so you can all just sit down again". DJ then does a PE, Gold board first call. Basically, DJ customers have been trained.</p> <p>Had 2 flights domestic flights yesterday (SYD), went to the front of the line, in front of 240 other passengers on the 767. Was advised the line behind so I asked where the priority line was. She said unfortunately there are too many qantas club and status passengers on that flight. I didn't argue the point, and she didn't let me cut the line.</p>

## 10. Coping Behaviour

Node	Comments
Community Contribution - Suggestion	<p>I guess there's also a responsibility for us who see it not being enforced to report it to QF every time it happens and take photos or document the failure in process. If they aren't aware of the problem, they won't be able to do anything about it.</p> <p>I don't think there is any shame in posting an email to QF directly with flight number and date attached. Its the only way they can get on top of service failure if they are even interested. Its obvious (to me) by now that they don't do service audits or have any sort of ground/gate management in place. Send an email with useful detail to a board member.</p> <p>Open to suggestions but on each and every occasion, members should post to the Qantas Facebook site or an on line feedback simply: "QF999 Per-Syd 9:00 complete fail/no monitoring/worked well, whatever</p>